Placement Document
Not for Circulation
Private and Confidential
Serial Number: _________

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 "*Organisational Structure*" on page 209.

Registered Office and Corporate Office: No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560 022 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 77,41,935 equity shares of face value of ₹ 5 each (the "**Equity Shares**") at a price of ₹ 775.00 per Equity Share, including a premium of ₹ 770.00 per Equity Share, aggregating to an amount of ₹ 60,000 lakhs (the "**Issue**"). For further details, please see "*Summary of the Issue*" on page 36.

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 April 22, 2024, were ₹ 810.10 and ₹ 811.10 per Equity Share, respectively. The Company shall make applications for obtaining the listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. 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 pursuant to the Issue have been received on April 18, 2024 from BSE and NSE, respectively. 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 PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBS IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND THE COMPANIES ACT. THIS 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 PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS 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 THE PRELIMINARY PLACEMENT DOCUMENT AND THIS 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 50, 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 THE PRELIMINARY PLACEMENT DOCUMENT AND THIS 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 THE PRELIMINARY PLACEMENT DOCUMENT AND THIS 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 websites of the Book Running Lead Manager (as defined hereinafter) or of their respective affiliates does not constitute or form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites. A copy of the 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 this 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. The Preliminary Placement Document and this Placement Document have 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 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 the Preliminary Placement Document and this 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 the Issue has only been made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 225. The distribution of the Preliminary Placement Document and this 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 Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this 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 U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue 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**"). For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 241. See "*Transfer Restrictions*" on page 248 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

BOOK RUNNING LEAD MANAGER

IIFL SECURITIES

IIFL SECURITIES LIMITED

This Placement Document is dated April 23, 2024.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document, and confirms that to its best knowledge and belief, having made all reasonable enquiries, this 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 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 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 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 has not separately verified all of the information contained in the Preliminary Placement Document and this 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 or agents, as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information supplied in connection with the Issue. Each person receiving the Preliminary Placement Document and this 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 or 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 offered on the Issue. Prospective investors should not construe the contents of this 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 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 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 Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The purchasers of the Equity Shares have made the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and* "*Transfer Restrictions*" on pages 3, 5, 241 and 248, respectively.

The distribution of this Placement Document and the Issue may be restricted by law in certain countries or jurisdictions. As such, this 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 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 the Preliminary Placement Document nor this 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 U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares Offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and 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 241.

The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 248.

This Placement Document does not purport to contain all the information that any Eligible QIB may require in making an investment decision. 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 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 subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber under applicable laws or regulations.

Each subscriber 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.

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 any of its affiliates does not constitute nor form part of this Placement Document and prospective investors should not rely on the information contained in or available through any such websites.

This 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 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 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 Exchanges and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 241 and 248, respectively;

8. You are aware that the Preliminary Placement Document and this Placement Document have 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. The Preliminary Placement Document and this Placement Document have not been reviewed, verified, or affirmed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and are intended only for use by Eligible QIBs. The Preliminary Placement Document, and this Placement Document have been 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 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 you 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 its 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. You acknowledge that all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our business strategies, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You acknowledge that 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. You acknowledge that 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 agree not to place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. You acknowledge that 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 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 241 and you hereby make the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 241;

15. You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" on page 50;

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 the Preliminary Placement Document, this 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. You acknowledge that neither the Book Running Lead Manager nor any of its 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 purchasing, owning 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 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 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 and any managed accounts for which you are subscribing for the Equity Shares (i) acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and that you and them are each able to bear the economic risk an 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 losses that may be suffered in connection with this Issue, including losses arising out of non-performance by the Company; (iii) have no need for liquidity with respect to the investment in the Equity Shares, and (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute such Equity Shares and you have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, which may cause or require any sale by you or them of all or any part of the Equity Shares;

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 has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this 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 Placement Document are exclusively the responsibility of the Company and that neither the Book Running Lead Manager nor any of its 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 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 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 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 and its shareholders, directors, officers, employees, counsels, representatives, agents and 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 its 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 shall 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 Placement Document or the Issue;

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 has 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. 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, 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 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

38. We acknowledge that the Company, the Book Running Lead Manager and their respective affiliates, shareholders, directors, officers, employees, agents, counsels, officers, representatives 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 and 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 SEBI FPI Regulations, an Eligible 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 the Preliminary Placement Document and this Placement Document. This 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 on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

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, investments where the entity is of a country which shares land border with India or 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, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our 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 our Company. Our Company and the BRLM 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 BRLM and does not constitute any obligations of or claims on the BRLM.

Bidders 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.

Please also see *"Selling Restrictions"* and *"Transfer Restrictions"* on pages 241 and 248, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this 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 the Preliminary Placement Document and this 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 the Preliminary Placement Document and this 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 Placement Document in "*Financial Information*" beginning on page 270.

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

1. Unaudited Condensed Consolidated Interim Financial Statements of our Company and its Subsidiaries as of and for the nine months ended December 31, 2023 and December 31, 2022, comprising the condensed consolidated balance sheet as at December 31, 2023 and March 31, 2023, the condensed consolidated statement of profit and loss for the nine months ended December 31, 2023 and December 31, 2022, the consolidated statement of changes in equity and the consolidated statement of cash flows for the periods then ended and notes to the condensed interim consolidated financial statements, including a summary of the significant accounting policies and other explanatory information, prepared in accordance with the recognition and measurement principles laid down as per the requirements of Ind AS 34 "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and the report dated December 14, 2023;

2. Audited Consolidated Financial Statements for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021, are prepared under Ind AS.

In this 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 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 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 Placement Document are to the page numbers of this Placement Document. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

In this 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 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 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 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, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA Margin and PAT Margin ("**Non-GAAP**") 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. Non GAAP measures 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 Non-GAAP measures 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. Non-GAAP measures 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 Non-GAAP measures 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 Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" on page 270.

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 Placement Document

Our Unaudited Condensed Consolidated Interim Financial Statements for the nine-month ended December 31, 2023 and December 31, 2022, 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 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 Placement Document pertaining to the consolidated financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and for nine months ended December 31, 2023 and December 31, 2022, 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 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 Placement Document should accordingly be limited.

In this 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 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 Placement Document has been obtained or derived from the report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Assessment of Textiles Industry"* dated April 2024 ("**CRISIL Report**"), which is a report commissioned and paid for by our Company and prepared and issued by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited ("**CRISIL**"), in connection with the Issue.

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 Placement Document from CRISIL Report is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), 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**"). 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. 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 MI&A operates independently of and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval*."

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRISIL Report from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors- This Placement Document contains information from CRISIL Report which has been exclusively commissioned and paid for by our Company solely for the purposes of the of confirming our understanding of the industry exclusively in connection with the Issue and reliance on such information for making an investment decision in the Issue is subject to certain inherent risks"* on page 72.

FORWARD LOOKING STATEMENTS

This 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 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:

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;*
2. *Any failure in our quality control processes 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;*
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; and*
5. *We depend on a limited number of customers for a significant portion of our export revenues and majority of our export revenues are contributed by customers located in certain geographical locations. 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 or any adverse impact in primary geographical markets which significantly contributes to our export revenue, may adversely affect our business, financial condition, the result of operations and cash flows.*

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 50, 192, 145 and 104, 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. None of our Company, the Directors, the Book Running Lead Manager or any of its 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 and Senior 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 Arab Emirates, 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. 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.

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, the Euro (in ₹ per Euro) and Pound sterling (in ₹ per GBP), 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 or GBP at the rates indicated, at any other rate, or at all.

1. **U.S. Dollar**

(₹ per US$)

	Period end(*)	**Average(**)**	**High(***)**	**Low(****)**
Fiscal ended:				
March 31, 2024	83.38	82.79	83.60	81.69
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Month ended				
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	77.12	82.92	73.05
November 30, 2023	83.35	77.01	82.88	73.80
October 31, 2023	83.27	76.75	83.20	73.14

(*Source: www.fbil.org.in and 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) *In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been considered.*

2. **Euro**

(in ₹ per Euro)

	Period end(*)	**Average(**)**	**High(***)**	**Low(****)**
Fiscal ended:				
March 31, 2024	90.22	89.80	92.45	87.07
March 31, 2023	89.61	83.72	90.26	78.34
March 31, 2022	84.66	86.56	90.51	83.48
Month ended				
March 31, 2024	90.22	90.27	90.91	89.58
February 29, 2024	89.86	89.55	90.13	89.06
January 31, 2024	89.88	90.77	91.92	89.88
December 31, 2023	92.00	87.31	90.31	84.05
November 30, 2023	91.48	85.31	88.33	80.72
October 31, 2023	88.32	84.86	87.42	79.79

(*Source: www.fbil.org.in and 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) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been considered.

3. **Pound sterling**

(₹ per GBP)

	Period end(*)	Average(**)	High(***)	Low(****)
Fiscal ended:				
March 31, 2024	105.29	104.07	107.64	100.39
March 31, 2023	101.87	96.83	102.23	86.62
March 31, 2022	99.55	101.78	104.58	99.36
Month ended				
March 31, 2024	105.29	105.54	106.36	104.65
February 29, 2024	105.03	104.80	105.63	104.25
January 31, 2024	105.31	105.60	106.10	104.74
December 31, 2023	106.11	99.86	102.23	98.00
November 30, 2023	105.87	98.01	102.48	92.59
October 31, 2023	101.16	96.95	103.46	90.41

(*Source: www.fbil.org.in and 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) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been considered.

DEFINITIONS AND ABBREVIATIONS

This 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 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 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 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 Special Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" and "*Financial Information*" beginning on pages 256 and 270, respectively, shall have the meaning given to such terms in such sections.

General Terms

Our Company / the Company / the Issuer/Gokaldas	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 – 560 022, Karnataka, India
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries

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, 2023, March 31, 2022 and March 31, 2021, and consolidated statement of profit and loss and consolidated cash flow statements for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021, 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
Audit Committee	The audit committee of our Board of Directors
Board of Directors/Board	The board of directors of our Company, including any duly constituted committees thereof
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, being Gourish Hegde
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by our Board of Directors
CRISIL	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited
CRISIL Report	Company commissioned report titled "*CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Assessment of Textiles Industry"* dated April 2024"
Director(s)	The director(s) on the Board of our Company, as may be appointed from time to time
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, the Restricted Stock Unit scheme issued by the Company, 2018 and GEL Employee Stock Option Plan 2022.
Executive Director	Executive directors of our Company. For details, see "*Board of Directors and Senior Management*" on page 210
Financial Statements	Audited Consolidated Financial Statements, and Unaudited Condensed Consolidated Interim Financial Statements
Group	Our Company and its Subsidiaries

Term	Description
Independent Director(s)	The non-executive and independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "*Board of Directors and Senior Management*" on page 210.
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 216
MCPL	Matrix Clothing Private Limited
MDIPL	Matrix Design & Industries Private Limited
Memorandum of Association/Memorandum/MoA	The memorandum of association of our Company, as amended from time to time
Non-Executive Non-Independent Director	Non-executive non-independent directors of our Company. For details, see "*Board of Directors and Senior Management*" on page 210
Nomination, Remuneration and Compensation Committee	The nomination, remuneration and compensation committee constituted by our Board of Directors
Promoters	Our promoters, Clear Wealth Consultancy Services LLP and Gautham Madhavan
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 – 560 022, Karnataka, India
Risk Management Committee	The risk management committee constituted by our Board of Directors
Senior Management Personnel	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management*" on page 216.
Subsidiary(ies)	Subsidiaries of our Company as per the Companies Act, as on the date of this Placement Document are: *Direct Subsidiaries* • All Colour Garments Private Limited, • SNS Clothing Private Limited and • Vignesh Apparels Private Limited • Gokaldasexports Acharpura Private Limited • Sri Susamyuta Knits Private Limited • Gokaldas Exports FZCO, Dubai • Gokaldas Exports Corporation, Delaware, USA • Nava Apparels L.L.C-FZ, Dubai • Matrix Design & Industries Private Limited* *Indirect Subsidiaries* • Amibros S.A. (Atraco Industrial Enterprise, Dubai, operating as a branch of Amibros S.A.) • Atraco Logistics Co LLC, Dubai • Coral Investments Limited, UAE • Ashton Apparel Manufacturing PLC. Ethiopia (a wholly owned subsidiary of Coral Investments Limited, UAE) • Ashton Mombasa Apparel EPZ Ltd, Kenya **Pursuant to share swap agreement dated February 1, 2024, entered between our Company, MCPL, MDIPL, Gautam Nair and Rajeev Dhawan, our Company has acquired 10,000 equity shares of face value of ₹ 10 each on March 13, 2024, representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan.*
SSA	Share swap agreement dated February 1, 2024, entered between our Company, MCPL, MDIPL, Gautam Nair and Rajeev Dhawan
Stakeholders' Relationship Committee	The stakeholders' relationship committee constituted by our Board of Directors
Unaudited Condensed Consolidated Interim Financial Statements	The unaudited condensed consolidated interim financial statements of our Company and its Subsidiaries as of and for the nine months ended December 31, 2023 and December 31, 2022, comprising the condensed consolidated balance sheet as at December 31, 2023 and March 31, 2023, the condensed consolidated statement of profit and loss for the nine months ended December 31, 2023 and December 31, 2022, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended and notes to the condensed interim consolidated financial statements including a summary of the significant accounting

Term	Description
	policies and other explanatory information, prepared in accordance with the recognition and measurement principles laid down as per the requirements of Ind AS 34 "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and the report dated April 18, 2024 issued thereon by MSKA & Associates, chartered accountants, our Statutory Auditors

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	Bidders to whom Equity Shares are Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder submitted a Bid for the Equity Shares in the Issue
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bid/Issue Closing Date	April 23, 2024 which is the last date up to which the Application Forms were accepted by our Company (or the Book Running Lead Manager, on behalf of our Company)
Bid/Issue Opening Date	April 18, 2024 the date on which our Company (or the Book Running Lead Manager on behalf of our Company) commenced acceptance of the Application Forms
Bidder(s)	A QIB, who made 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 were allowed to submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager or BRLM	IIFL Securities Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation issued to the 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 April 24, 2024.
Cut-off Price	The Issue Price of the Equity Shares 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 were 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 is not restricted from participating in the Issue under the applicable laws, including Regulation 179(2) of the SEBI ICDR Regulations.
Escrow Agreement	Agreement dated April 18, 2024 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 Bank	RBL Bank Limited
Escrow Account	The accounts titled "*Gokaldas Exports Limited – Escrow A/C 2024*" 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 was deposited.

Term	Description
Floor Price	The floor price of ₹ 789.99, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The Company, in consultation with BRLM, has offered a discount of ₹ 14.99 constituting 1.90% on the Floor Price in accordance with the approval of the Shareholders accorded on February 29, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
Issue	The issue and Allotment of 77,41,935 Equity Shares each at a price of ₹ 775.00 per Equity Share to Eligible QIBs, including a premium of ₹ 770.00 per Equity Share, aggregating to an amount of ₹ 60,000 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	₹ 775.00 per Equity Share
Issue Size	The aggregate size of the Issue, which is ₹ 60,000 lakhs
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	Agreement dated April 16, 2024 entered into between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of proceeds in relation to the Issue
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated April 18, 2024 entered into between our Company and the Book Running Lead Manager
Placement Document	This Placement document dated April 23, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder, as amended
Preliminary Placement Document	The preliminary placement document dated April 18, 2024, 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 placed through the Issue and the Issue Price for the same *i.e.*, April 23, 2024
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
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	April 18, 2024, which is the date of the meeting of the Board of Directors of the Company or a duly authorised committee thereof on which it was decided to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who have been Allocated Issue Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

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
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Cr.P.C	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
DIN	Director identification number
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 FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, as amended together with rules and regulations thereunder
Financial Year/Fiscal Year /Fiscal/FY	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 Investor(s)	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
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling

Term	Description
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
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, 2016
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
PPE	Personal Protective Equipment
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
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
Rs/Rupees/Indian Rupees	The legal currency of India
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 AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
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

Term	Description
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

Technical and Industry Terms

Term	Description
ATUFS	Amended Technology Upgradation Fund Scheme
CAGR	Compound Annual Growth Rate
CEPA	Comprehensive Economic Partnership Agreements
CSO	Central Statistics Office
CY	Calendar Year
EBO	Exclusive Brand Outlet
EPCGS	Export Promotion Capital Goods Scheme
EU	European Union
FTAs	Free Trade Agreement
FTP	Foreign Trade Policy
GDP	Gross domestic product
GVA	Gross Value Added
HS Codes	Harmonized System Codes
IIP	Index of Industrial Production
IMF	International Monetary Fund
LDC	Least developed Countries
LFS	Large format stores
MBO	Multi-Brand Outlet
MEIS	Merchandise Exports from India Scheme
MFN	Most-favoured-nation
MoSPI	Ministry of Statistics and Programme Implementation
MoT	Ministry of Textiles
NHDP	National Handloom Development Programme
NTTM	National Technical Textile Mission
PFCE	Private final consumption expenditure
PLI Scheme	Production Linked Incentive Scheme
PM-MITRA	Pradhan Mantri Mega Integrated Textile Region and Apparel
RMG	Readymade Garments
RoDTEP	Remission of Duties or Taxes on Export Product
RoSCTL	Rebate of State and Central Taxes and Levies
RR-TUFS	Revised Restructured Technology Upgradation Fund Scheme
SAMARTH	Scheme for Capacity Building in Textiles Sector
SEIS	Services Exports from India Scheme
SITP	Scheme for Integrated textiles park
SPELSGU	Scheme for Production and Employment Linked Support for Garmenting Units
US	United States of America
WTO	World Trade Organization

SUMMARY OF BUSINESS

Overview

We are one of the key readymade garment manufacturers and exporters based in India amongst the key players operating in the Indian readymade garments (*Source: CRISIL Report*), engaged in the business of design, manufacture and sale of a wide range of readymade garments, for all seasons, (outerwear, activewear and fashionwear) for men, women and kids. We cater to the needs of several prominent international fashion brands and retailers. We export to more than 50 countries where our customers include prominent international brands. Our operations enable us to manufacture a wide variety of value-added readymade garments, through our integrated facilities 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 33,610, full time employees as on December 31, 2023.

We have four decades of experience in manufacturing readymade garments, understanding customer-preferences, while prioritizing quality assurance and adhering to the compliance standards of our international customers spanning North America, South America, Europe, Africa, Oceania, and Asia. Our growth is fuelled by our longstanding relationships, with over 38% of our revenue stemming from customers who have partnered with us for more than a decade.

As on December 31, 2023, we operate 23 manufacturing facilities, among these, 20 facilities are situated in Karnataka, while one each are located in Madhya Pradesh, Tamil Nadu, and Andhra Pradesh. Our comprehensive infrastructure and machinery across all facilities encompass sewing, cutting, printing, embroidery, and garment finishing, enabling us to efficiently handle substantial bulk orders and cater to diverse customer needs promptly. In Bangalore, our design, testing, fitting, and quality inspection laboratory play a pivotal role in maintaining the rigorous quality standards demanded by our customers. Accredited by several major customers, our in-house testing laboratory ensures adherence to quality benchmarks. Additionally, our modern printing and laundry unit in Bangalore is outfitted with automated machinery and cutting-edge equipment sourced from Austria, Spain and Japan.

Over the years, we have developed expertise in manufacturing a diverse mix of product categories such as fashion wear, outerwear, bottom wear, and sportswear garments. In Fiscal 2023, our revenue from outerwear experienced a growth of 12.01% compared to Fiscal 2022, whereas the fashionwear segment saw even stronger growth, increasing by 50.52% over the same period.

We predominantly manufacture woven products, with over 97% of our exported goods falling into this category, catering to menswear, womenswear, and children's wear. Global knitwear apparel trade, for HS Codes specified in CRISIL Report, has increased at a CAGR of about 5.5% in value terms between CY2018 and CY2022. Noting an ever-increasing demand for knitted apparels globally, there may be opportunity in the apparel exports market for exporters in India (*Source: CRISIL Report*), necessitating vertical integration. With this in mind, particularly for our knitwear sector, our Company has initiated plans to establish a fabric processing unit in Perundurai, Tamil Nadu. This unit will possess manufacturing capabilities including dyeing, printing, wet-processing, mercerising processes, and fabric production from yarn.

Our Company has directed its focus towards inorganic growth through recent acquisitions. We intend to undertake potential acquisitions and/or investments in line with our business objectives, from time to time, and intend to seek inorganic opportunities which are synergetic with our existing operations and growth strategies, that we believe will fit well with our expansion plans.

Further, in line with the strategy to grow and strengthen the industry position of the Company and in furtherance to our strategy of inorganic growth, our Company has undertaken certain acquisitions in the recent past for details see, "*Our Business – Overview*" on page 192.

We have strong emphasis on design ability. We continually generate fresh designs and samples for our customers, and our adeptness in realizing customer concepts enhances our product range and improves our agility in aligning with prevailing trends. We have cultivated diverse competencies to cater to our customers, encompassing trend forecasting, product engineering, fashion designing, streamlined manufacturing, and innovation. Central to our strategy is the manufacturing of intricate products and designs, fostering synergies that transcend price-based competition. Our enduring partnerships with key customers have fuelled our growth trajectory. Our steady commitment to quality has solidified our position as a trusted vendor for select major international customers, improving our brand value and reputation.

We have been honoured by the Apparel Export Promotion Council, under the Ministry of Textiles, Government of India, for achieving the highest employment levels in both Fiscals 2022 and 2023. Additionally, we have been the recipient of the Karnataka State Export Excellence Award from the Department of Industry and Commerce for the Fiscals 2018, 2019, and 2020 consecutively.

The following tables gives our total revenue and key financial indicators on a consolidated basis for the nine-month period ended December 31, 2023, nine-month period ended December 31, 2022 and for the Fiscals 2023, 2022 and 2021.

(*In ₹ lakhs, unless specified*)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
Total Income	1,22,293.69	1,80,100.34	2,24,722.93
Revenue from operations	1,21,072.73	1,79,031.57	2,22,219.58
EBITDA	11,369.53	21,618.69	29,580.77
EBITDA Margin	**9.30%**	**12.00%**	**13.20%**
PBT before exceptional items	2,661.80	11,703.13	19,833.93
PAT before exceptional item	2,649.16	11,708.13	16,691.61
PAT Margin	**2.20%**	**6.50%**	**7.40%**
Net Debt to Equity	0.72	0.05	-0.28

Net Debt to Equity: Average net debt/ average equity. Net debt is gross borrowings reduced by cash and cash equivalents. Negative net debt represented net cash.

(*In ₹ lakhs, unless specified*)

Particulars	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2022
Total Income	1,59,101.65	1,71,710.75
Revenue from operations	1,56,646.60	169,918.47
Adjusted EBITDA[1]	20,421.80	21,862.10
Adjusted EBITDA Margin[1]	**12.84%**	**12.73%**
EBITDA	19,408.80	21,862.10
EBITDA Margin	**12.20%**	**12.73%**
PBT before exceptional items	11,605.91	14,757.38
PAT before exceptional item	8,668.91	11,972.35
PAT Margin	**5.45%**	**6.97%**

[1] *EBITDA adjusted with ₹ 1,013 lakhs of one-off expenses (relating to acquisition-related expense of ₹398 lakhs and initial start-up expense in MP-Unit of ₹ 615 lakhs.)*

The following table gives the break-up of our total sale of finished goods on a consolidated basis. More than 92% of the revenue from operations are from sale of finished goods.

(*In ₹ lakhs, unless specified*)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Sale of finished goods						
A. Exports	94,173.84	82.21%	1,49,112.14	89.36%	1,85,190.38	89.63%
B. Domestic	20,372.42	17.79%	17,753.05	10.64%	21,415.77	10.37%
C. Total (A+B)	**1,14,546.26**	**100.00%**	**1,66,865.19**	**100.00%**	**2,06,606.15**	**100.00%**

(*In ₹ lakhs, unless specified*)

Particulars	Nine-month period ended December 31, 2023		Nine-month period ended December 31, 2022	
	Amount	**% of total**	**Amount**	**% of total**
Sale of finished goods				
A. Exports	1,27,514.91	88.62%	1,41,714.13	89.41%

B. Domestic	16,379.96	11.38%	16,777.24	10.59%
C. Total (A+B)	**1,43,894.87**	**100.00%**	**1,58,491.37**	**100.00%**

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 key readymade garment manufacturers and exporters based in India amongst the key players operating in the Indian readymade garments industry (*Source: CRISIL Report*). 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 some of our major customers has contributed to our growth. Our commitment to quality and customer service practices have been strong contributing factors to our customer relations. Over the years, we have built a robust base of international retailers of readymade garments, including reputed established brands with global operations. Our growth is significantly fuelled by our longstanding relationships, with over 38% of our revenue stemming from customers who have partnered with us for more than a decade. Currently, 50% of our long-term customers are from the USA, with 38% originating from Europe, and the remaining 12% from Asia.

While we do not have any long-term supply agreements, we have continued to receive repeat business from many of our customers, who are eminent and reputed brands in their jurisdiction. This is attributed to our comprehensive understanding of their design specifications and our dedication to deliver garments adhering to their stringent quality standards in a timely manner.

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 their respective industry standards and jurisdiction. 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. The design and sampling team comprises 22 designers who engage with customers to grasp their needs, creating designs tailored to their specifications. They work across a broad spectrum of garmenting solutions, encompassing shirts, women's tops, dresses, skirts, children's wear, sportswear, and denimwear. This diverse product range of garmenting solutions enables us to offer a comprehensive array of ready-made garments to our customers.

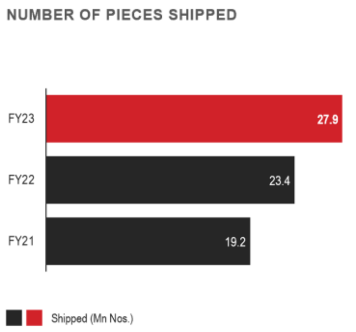
Product design, development and sampling form an integral part of our Company's operations. It helps us in converting an existing inquiry into an order for our products. We believe that our ability to produce innovative designs is one of our major strengths and improves our competitiveness in the market. Our in-house designing team, consisting of 22 employees and 513 employees work on R&D sampling department as of December 31, 2023, focuses on providing value-added design products by understanding the current fashion trends thereby helping us in procuring new as well as repeat orders. Further, we have set up testing laboratories and our customers have given us certification to conduct the lab test. 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 key readymade garment manufacturers and exporters of readymade garments for men, women and kids wear in India

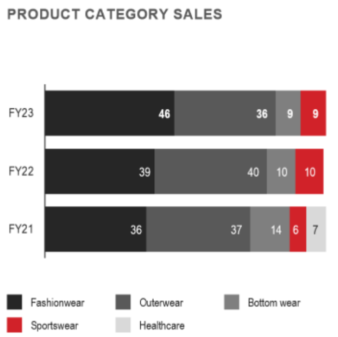
Over the years, we have developed the expertise to concurrently manage multiple large orders as well as developed a diversified product range which has helped our Company to grow into one of the key manufacturers of readymade garments in India. We export to more than 50 countries where our customers include prominent international brands.

As on December 31, 2023, our Company and our Subsidiaries have 23 operating manufacturing facilities of which 20 of our manufacturing facilities are located in Karnataka, and one each in Madhya Pradesh, Tamil Nadu and 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.



Growth in volume together with the increase in average realization per piece has supported a strong revenue growth. Volumes in FY21 were impacted due to pandemic-driven order cancellations.



Excess inventory with brands in outerwear resulted in somewhat muted demand from that segment in FY23. While outerwear revenue grew over FY22 in absolute terms, fashionwear segment had a more robust growth improving share.

China is the leading global exporter of apparel, with a market share of 30% in Fiscal 2022. However, there has been a decrease in China's market share as an exporter, primarily due to wage increase and ban by US on imports of cotton and cotton products from Xinjiang region of China. US being one of the largest textile consuming market coupled with being the largest importer of apparel provides an opportunity for Indian exporters to serve as an alternate choice of exporter to the US, which has 21% in global apparel imports. (*Source: CRISIL Report*)

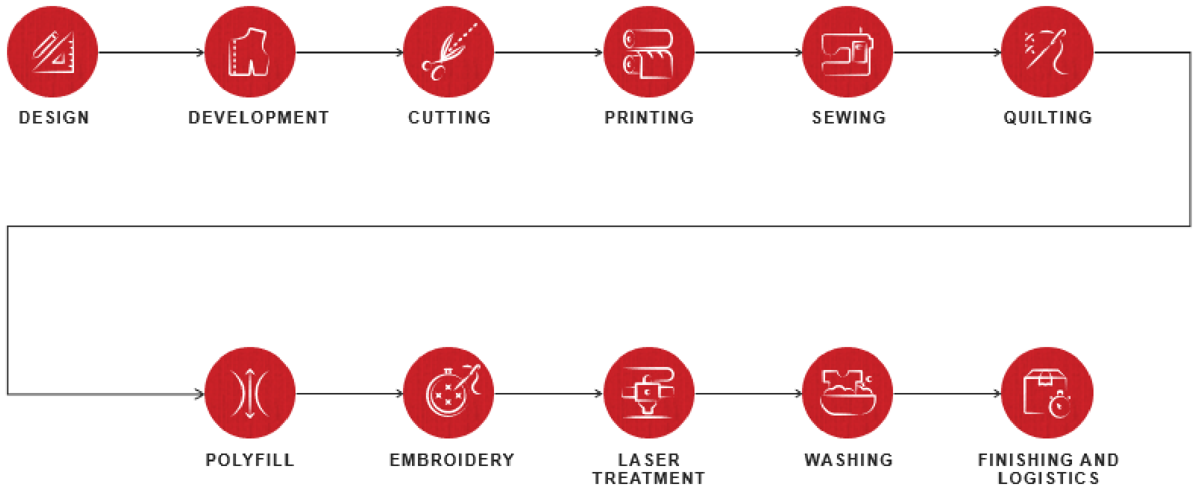
This coupled with schemes such as PLI Scheme for Textiles, Scheme for Integrated Textile Parks ("**SITP**"), Export Promotion Capital Goods Scheme, announced by the Government of India along with incentive packages by various state governments and set-up of mega textile parks, provide support to Indian exporters. India could serve as the preferred 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. 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. India was ranked seventh in CY2022 among the top apparels' exporters in the world with a share of approximately 3% in the global apparel trade. Going ahead, the apparel exports are expected to grow at a CAGR of 5-7% between fiscal 2024 and 2028, owing to the gradual demand revival in US and EU regions, favourable domestic prices aiding global competitiveness of Indian exporters coupled with low base effect. (*Source: CRISIL Report*)

We are one of the key readymade garment manufacturers and exporters based in India amongst the key players operating in the Indian readymade garments industry (*Source: CRISIL Report*). 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 86.86%, 88.11%, 88.30%, 87.53%, and 81.54% of our total revenue from operation for the nine months ended December 31, 2023, December 31, 2022, and for Fiscals 2023, 2022, and 2021, respectively on a consolidated basis. 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 and believe that we can capitalize on such market opportunities to expand our exports of apparels. We have produced and sold approximately 208.09 lakhs, 278.70 lakhs, 233.71 lakhs, and 192.75 lakhs pieces of readymade garments for the nine-month period ended December 31, 2023, and in Fiscals 2023, 2022, 2021, respectively. Our capacity addition is also in line with this. We offer a well-diversified product category to our customers with a strong presence in fashion and outerwear which we believe has helped us become a preferred vendor partner for our 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. We have experience of setting-up units that are integrated with our manufacturing and production operations and as on December 31, 2023 we have 23 such manufacturing facilities. With this expertise, in Fiscal 2023, we commissioned our first greenfield project in the central part of India, Acharpura Industrial area, Bhopal, Madhya Pradesh and commenced commercial production in July 2023.

Our manufacturing value chain



We have an experienced management team led by our key management personnel & Senior 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 given our current scale of operations as well as the size of operations that we are planning to achieve.

Our experienced management team is supported by a skilled workforce. As of December 31, 2023, we have employed 33,610 employees. Our employee engagement is dedicated to fostering a highly engaged workforce and by prioritizing employee engagement initiatives, we foster an environment that fuels innovation and collaboration while promoting continuous growth. The Company values employee feedback through Skip Level Meetings (SLMs), gaining valuable insights into workforce sentiments and ensuring their voices are heard. Additionally, we also empower supervisors to foster an engaged, productive, and innovative workforce through competency-based training.

Our team led by Chairman, Mr. Mathew Cyriac and our Vice Chairman and Managing Director, Mr. Sivaramakrishnan Ganapathi have successfully managed various businesses. For further details refer "*Board of Directors and Senior Management" on page* 210.

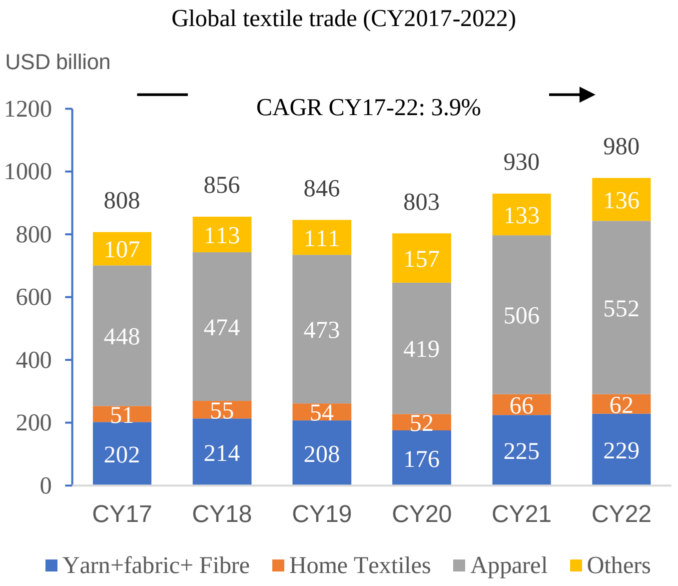
Our Strategies

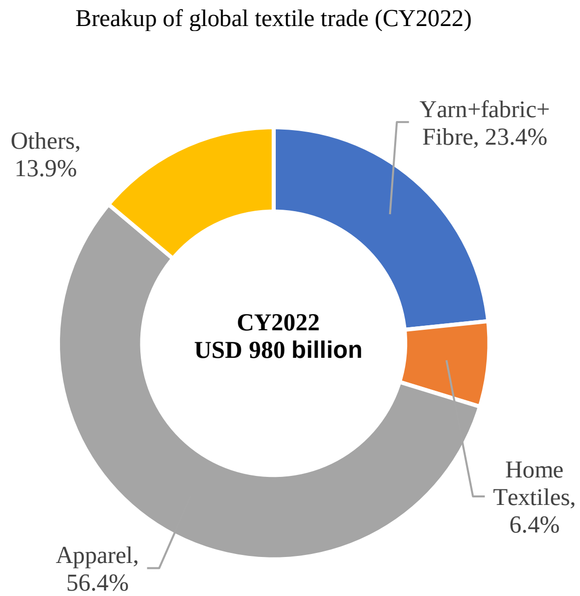
Our vision is to be establish ourselves as a global leader in the apparel industry, driven by innovation, operational excellence and sustainable practices. In particular, we are focused on a four-pronged strategy.

Deepening our product penetration with existing customers and increasing our customer base

The global textile industry is expected to grow at a CAGR of 2.5 - 3.5% from CY2023 to CY2027 to reach approximately USD 1,780-1,830 billion in CY 2027. 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. Volume wise, the industry is expected to grow from 193 billion tons in CY2023 to 210-220 billion tons in CY2027, registering a CAGR of 2.0 - 3.0%. (*Source: CRISIL Report*)

Additionally, within textiles, apparels dominated the global trade with a share of 56.4%, followed by yarn, fabrics and fibre at 23.4% as of CY2022. (*Source: CRISIL Report*)



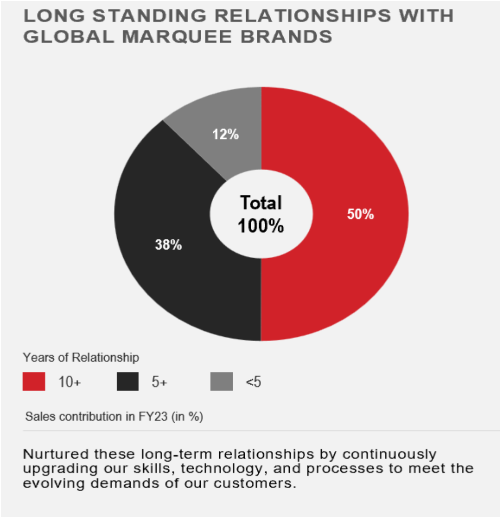


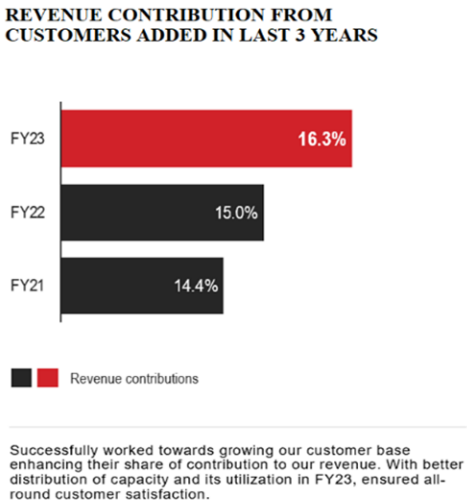
Note: Trade numbers have been calculated on the basis of global export data; HS codes used for analysis include: 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 65, 4203, 4303, 4304. Any category apart from apparels, home textiles, yarn, fabric, fibre is clubbed under others.
Source: ITU, CRISIL MI&A

Similar to the global trend, apparel exports contributed the major portion of the Indian textile trade in fiscal 2023. Apparel sales accounted for 44% of the total Indian textile trade in fiscal 2023, followed by cotton textiles and manmade textiles at 30% and 15% respectively. Going ahead, the apparel exports are expected to grow at a CAGR of 5-7% between fiscal 2024 and 2028, owing to the gradual demand revival in US and EU regions, favourable domestic prices aiding global competitiveness of Indian exporters coupled with low base effect (*Source: CRISIL Report*). We are focused to derive benefit of opportunities in apparel exports, and enhance our product portfolio, increase geographical presence, widen customer base, increase production capacity, improve financial and operating performance, and target for deeper market penetration.

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. Our aim is to further nurture and fortify our established relationships with customers in the readymade garments sector.

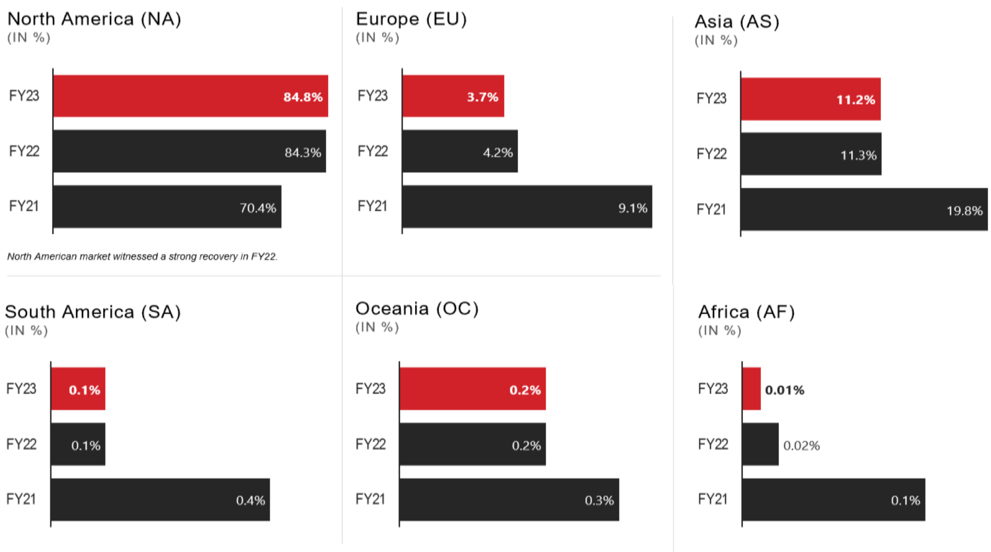
As a result, over the last three years, we expanded our share of customer wallet of top customers as is depicted in the graph below. This approach has helped in evening the seasonality impact in the business for an all-year round capacity utilization. We will continue to work towards enlarging our customer base, and broad-base revenues, while deepening our customer wallet share.





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 a designing team along with 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 export a major component of production of our readymade garments worldwide across over 50 countries and 6 continents. USA and Europe contributed 88% of our total export sales of readymade garments for the year ended March 31, 2023 and it remains a major market of our Company's exports.



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. In line with the strategy to grow, strengthen our industry position and enhance our geographical reach, Gokaldas Exports FZCO, Dubai, wholly owned subsidiary of our Company has entered into a share purchase agreement dated August 28, 2023 ("**SPA**") with Solaris – II Investments Group Limited ("**Solaris**"), Amibros S.A., and Atraco Industrial Enterprise (branch of Amibros S.A., together with Amibros S.A. ("**Atraco**")) for acquisition of 100% shares of Amibros from Solaris ("**Atraco Acquisition**"), for a consideration of USD 38.50 million ("**SPA**"). Pursuant to receipt of requisite approvals and fulfilment of the closing conditions, Gokaldas Exports FZCO, Dubai acquired 100% shares of

Amibros on January 3, 2024 in terms of SPA.

Atraco stands as a apparel manufacturer based in Dubai, UAE, with manufacturing operations spanning Kenya and Ethiopia, along with extensive reach in the Middle East and Africa (MEA) region. Atraco is headquartered in Dubai, UAE, operates with a network of 5 manufacturing units in the Africa region (4 in Kenya and 1 in Ethiopia). Atraco has customer relationships with global brands, it exports significant portion of its output to the USA. It produces wide variety of apparel like shorts, pants, shirts, t-shirts, blouses, and dresses. We intend to also focus on increasing our customer base by increasing the range of products we manufacture and supply to them. While this being our approach, we also explore opportunity to increase customer base through inorganic means.

Focus on driving operational excellence and cost effective capacity expansion

We focus and continue to focus on driving operational excellence of reducing 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, locations providing low-cost of operation, focusing on core product types. We intend to modernise our infrastructure at our manufacturing facilities with aim of substantially improving our operational efficiency and unlock the bottleneck capacity for expansion and growth. With improved order flow from our customers, we intend to expand our footprint beyond Karnataka and to low-cost locations.

As per CRISIL Report, Government of India has introduced various initiatives and schemes towards development of infrastructure and for bolstering the exports. These include PM – MITRA, SAMARTH, PLI, Amended Technology Upgradation Fund Scheme (ATUFS), extension of RoSCTL till 2026 among others. Additionally, many state governments offer incentives in setting up manufacturing facilities. In this connection, our Company has set up a new manufacturing plant, near Bhopal, in Madhya Pradesh. The Company has purchased 10-acre land from the Madhya Pradesh Industrial Development Corporation (MPIDC) in this connection. During the Fiscal 2023, we spent ₹ 38 crore on modernisation and upgrades, and ₹ 97 crore on new capacity and projects. We continue to exercise judicious control over capex spending taking into consideration the market conditions. We inaugurated Phase 1 of our Madhya Pradesh facility, introducing a 1,00,000 sq. ft production area to accommodate 2,000 employees. We started commercial production at the facility in July 2023. The facility has capacity expansion potential and we intend to make it a cost-efficient cluster of operations for the Company. We are also setting up a manufacturing unit in Tamil Nadu, which is expected to start production in the first half of Fiscal 2025 and we believe that this facility will contribute to our vision of expansion and growth. Establishing of the said manufacturing facility 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, and 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. In line with this objective, we plan to initiate Phase II expansion at the Madhya Pradesh facility. This initiative aims to augment our cost-effective capacity, facilitating higher growth and improved profit margins.

We are working on strengthening our 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 future growth opportunities by continuing to expand our manufacturing capacity.

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 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 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.

We shall stay focused on continuous improvement, upgradation and modernization of our infrastructure and technology in coming years.

Focusing organic and inorganic growth avenues for geographical diversification, with focus on wide range of product portfolio.

Shareholder value accretion, access to new product lines, geographical diversification, capacity expansion etc. are the central part of our Company's growth strategy. As we know, companies employ many different strategies to grow, primarily in organic and inorganic modes. While we continue to stay focused on strategies giving strong organic growth for the Company, an inorganic means of growth is also an alternate way to increase our revenue size, customer addition and market penetration. We have witnessed a steady improvement in our financial and operating performance and gained investor confidence achieving marked improvement in ROCE and building a healthy free cash surplus for use. Our Company had the highest RoCE and lowest gearing ratio in fiscal 2023 amongst the considered players operating in the Indian readymade garments industry (*Source: CRISIL Report*). We successfully utilized our surplus cash by strategically integrating a fitting offshore business into our portfolio. We believe that this addition will strengthen our growth trajectory through inorganic means. We are proceeding thoughtfully, meticulously identifying opportunities that align with our strategic objectives. These opportunities should possess a strong complementary customer base, improved operational capabilities, and leadership within their respective spheres. In line with this strategy, we have recently acquired Amibros S.A (operating under the trade name Atraco Industrial Enterprise ("**Atraco**") in Dubai, UAE, and as a branch of Amibros S.A), Coral Investments Limited (indirectly acquiring Ashton Apparel PLC), through our wholly owned subsidiaries and have entered asset purchase agreements with certain entities in similar line of businesses. For details, see "*Our Business – Overview*" on page 192.

These acquisition marks a significant step forward in expanding our global presence, broadening our customer base, and enhancing our production capacity.

Atraco, is a manufacturer of apparel which is headquartered in Dubai, UAE. Atraco's presence is spread across 3 countries where operations, with marketing, product development and corporate functions are based in UAE, and manufacturing units are located in Kenya and Ethiopia in Africa. It operates with a network of 5 manufacturing units, of which 4 in Kenya and 1 in Ethiopia with strong manufacturing capabilities and large work force spread across 5 manufacturing facilities. It has strong customer relationships with global brands, exporting significant portion of its output to the USA. The product range includes shorts, pants, shirts, t-shirts, blouses, and dresses.

We see high degree of competitive advantage through this acquisition that are as follows:

- Duty-free access to the US is a key strength, as duties range from 11% to 28%. Exports from Kenya to the USA are eligible for duty-free concession under African Growth and Opportunities Act (AGOA). (*Source: CRISIL Report*)
- Access to the EU through EPA (Economic Partnership Agreement) and LDC (Least Developed Countries) (*Source: CRISIL Report*)
- Production facilities with large work-force deployed in low-cost locations, with the possibility for further expansion to drive future growth.

- Manufacturing capabilities, and machine efficiency built over the years.
- Business relationships with global apparel brands.

Consolidated Financial Highlights of Atraco:

(In ₹ lakhs, unless specified)

KEY PERFORMANCE METRICS	CY 2020	CY 2021	CY 2022
Revenue from operations	51,857.61	63,382.64	84,301.76
EBITDA	3,910.23	8,022.17	7,697.37
EBITDA Margin	7.50%	12.70%	9.10%
Profit after tax	1,762.85	7,008.97	5,662.78
Net profit margin	3.40%	11.10%	6.70%

Moreover, a strategic acquisition of a complementary business signals a promising growth trajectory. In line with the strategy to grow and strengthen the industry position of the Company and in furtherance to our strategy of inorganic growth, our Board in its meeting held on February 1, 2024 entered into a share swap agreement with MCPL, MDIPL, Gautam Nair and Rajeev Dhawan ("**SSA**") for acquisition of 10,000 equity shares of face value of ₹ 10 each ("**Sale Shares**") representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan. Subsequently, our Company has acquired 10,000 equity shares of face value of ₹ 10 each on March 13, 2024, representing 100% of the paid-up equity share capital of MDIPL, and as on date of this Placement Document, MDIPL is a wholly owned subsidiary of our Company. Further, a business transfer agreement has been executed between MDIPL and MCPL on January 22, 2024, pursuant to which MCPL's undertaking relating to the business of manufacture, supply, distribution, sale and / or export of apparels ("**Apparel Business**") has been transferred to MDIPL. MDIPL is an apparel manufacturing and export company located in Gurgaon, Delhi NCR Region, India.

MDIPL^ is a manufacturer of quality men's, ladies', and children's knitwear apparel for known brands, with major geographical exposure to Europe, the UK, and North America. MDIPL^ operates out of Gurgaon, Haryana and having five manufacturing facilities (4 in Gurgaon, and 1 in Ranchi, Jharkhand). MDIPL^ manufactures altogether knitwear products with embellished value-added service. This complements the existing woven category of our Company. We believe MDIPL's^ acquisition expands our geographical reach enabling deeper market penetration with opportunity to venture into new business segments like knits, leading to enhancement of our product portfolio, increased production capacity, a wider customer base, greater access to the European and UK markets helping with geographical diversification, and low-cost capacity expansion in the future. Set out below are financial highlights of Apparel Business is as follows:

(In ₹ lakhs, unless specified)

KEY PERFORMANCE METRICS	Fiscal 2021	Fiscal 2022	Fiscal 2023
Total Income	33,720.18	60,347.45	59,606.53
EBITDA	6,608.94	6,295.56	7,073.44
EBITDA Margin	19.60%[1]	10.40%	11.90%
Profit after tax	372.05[2]	2,555.52	4,425.15
Net profit margin	1.10%	4.30%	7.40%

*^ Business transfer agreement has been executed between MDIPL and MCPL on January 22, 2024, pursuant to which MCPL's undertaking relating to the business of manufacture, supply, distribution, sale and / or export of apparels ("**Apparel Business**") has been transferred to MDIPL. Accordingly, financial parameters of MCPL's in relation to the Apparel Business for the last 3 financial years has been disclosed in the table above.*

Notes:

1 Higher EBITDA margin in Fiscal 2021 was attributed to the lower material costs and sale of PPE products and accessories.

2 Loan extended towards a wholly owned subsidiary in Jordan of ₹ 5,324.17 crore shown as an exceptional item in Fiscal 2021

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 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 50, 89, 239, 225 and 252 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 ₹ 789.99 per Equity Share. Our Company has offered a discount of ₹ 14.99 constituting 1.90 % of the Floor Price in accordance with the approval of the Shareholders accorded through their special resolution dated February 29, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹ 775.00 per Equity Share
Issue Size	The issue of 77,41,935 Equity Shares, aggregating to an amount of ₹ 60,000 lakhs
Date of Board Resolution	February 1, 2024
Date of Shareholders' Resolution	February 29, 2024
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", "Selling Restrictions" and "Transfer Restrictions*" on pages 225, 241 and 248, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered and this Placement Document will be delivered are 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 Special Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on pages 252, 103 and 256, respectively.
Indian Taxation	See "*Statement of Possible Special Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on page 256.
Equity Shares issued and outstanding immediately prior to the Issue	6,33,82,860 Equity Shares of ₹ 5 each
Equity Shares issued and outstanding immediately after the Issue	Immediately after the Issue, 7,11,24,795 Equity Shares will be issued and outstanding.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR
Listing	Our Company has obtained in-principle approvals each dated April 18, 2024 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 248
Use of Proceeds	The gross proceeds from the Issue are ₹ 60,000 lakhs. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be for an amount of ₹ 58,578.88 lakhs. See "*Use of Proceeds*" beginning on page 89 for additional information

Risk Factors	See "*Risk Factors*" beginning on page 50 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 April 24, 2024	
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. For further details, please see "*Dividends*" and "*Description of the Equity Shares*" on pages 103 and 252, respectively.	
Voting Rights	See "*Description of Equity Shares – Voting Rights*" beginning on page 254	
Security Codes/Symbols 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 270. *The summary financial information set forth below is derived from and should be read in conjunction with (i) the Audited Consolidated Financial Statements prepared in accordance with the Ind AS and Companies Act, 2013; and (ii) the Unaudited Condensed Consolidated Interim Financial of our Company prepared in accordance with the Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act and other accounting principles generally accepted in India..*

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Consolidated Balance Sheet

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

Particulars	As at		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
ASSETS			
Non- current assets			
Property, plant and equipment	16,611.71	15,530.43	12,531.40
Capital work-in-progress	11,252.12	12,985.61	11,016.15
Right-of-use assets	10,786.62	1,104.36	-
Other intangible assets	111.95	273.88	190.11
Financial assets			
Investments	0.29	0.29	0.29
Loans	-	-	2,886.52
Other financial assets	2,821.95	4,219.40	14,707.82
Deferred tax assets	3,064.73	1,178.98	680.90
Non-current tax assets (net)	408.85	1,176.97	664.62
Other non-current assets	1,164.55	1,772.55	336.21
Total non-current assets	**46,222.77**	**38,242.47**	**43,014.02**
Current assets			
Inventories	29,299.22	43,362.00	25,920.02
Financial assets			
Investments	34,399.06	15,445.37	3,680.89
Trade receivables	13,582.68	9,219.38	17,983.76
Cash and cash equivalents	1,472.21	1,268.24	1,526.19
Other bank balances (other than cash and cash equivalents)	926.48	-	-
Other financial assets	114.03	1,507.02	1,464.14
Other current assets	8,185.08	12,082.72	5,402.89
Total current assets	**87,978.76**	**82,884.73**	**55,977.89**
Total assets	**1,34,201.53**	**1,21,127.20**	**98,991.91**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	3,028.90	2,948.85	2,144.78
Other equity	85,596.22	67,868.70	26,861.99
Total equity	**88,625.12**	**70,817.55**	**29,006.77**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	964.31	238.06	1,884.27
Lease liabilities	8,676.98	10,315.19	8,555.17
Provision for employee benefits	1,346.89	668.33	527.00
Total non-current liabilities	**10,988.18**	**11,221.58**	**10,966.44**
Current liabilities			
Financial liabilities			
Borrowings	2,580.76	6,068.88	31,995.26

Particulars	As at		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Trade payables			
Total outstanding dues of micro, small and medium enterprises	241.02	94.75	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises	8,160.12	11,689.58	11,119.99
Lease liabilities	3,219.09	2,682.17	2,773.56
Other current financial liabilities	14,769.18	13,524.03	9,047.59
Other current liabilities	1,220.25	1,304.92	906.94
Provision for employee benefits	4,397.81	3,723.74	2,785.86
Current tax liability (net)	-	-	337.79
Total current liabilities	**34,588.23**	**39,088.07**	**59,018.70**
Total equity and liabilities	**1,34,201.53**	**1,21,127.20**	**98,991.91**

Consolidated Statement of Profit and Loss

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

	Particulars	For the year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
I	**Income**			
	Revenue from operations	2,22,219.58	1,79,031.57	1,21,072.73
	Other income	2,503.35	1,068.77	1,220.96
	Total income	**2,24,722.93**	**1,80,100.34**	**1,22,293.69**
II	**Expenses**			
	Cost of raw materials and components consumed	1,05,234.38	1,00,269.72	56,562.36
	Purchases of stock-in-trade	119.58	1,478.89	-
	Changes in inventories of finished goods and work-in-progress	12,363.32	(12,929.02)	3,941.80
	Employee benefits expense	61,931.65	53,877.58	37,156.38
	Finance costs	2,571.81	4,020.74	3,446.23
	Depreciation and amortization expenses	7,175.03	5,894.82	5,261.50
	Job work charges	1,186.44	2,776.86	1,203.70
	(Gain)/loss on account of foreign exchange fluctuations (net)	(668.42)	(2,109.40)	155.96
	Other expenses	14,975.21	15,117.02	11,903.96
	Total expenses	**2,04,889.00**	**1,68,397.21**	**1,19,631.89**
III	**Profit/(Loss) before exceptional items and tax (I-II)**	**19,833.93**	**11,703.13**	**2,661.80**
IV	**Exceptional items**	605.03	-	-
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**	**20,438.96**	**11,703.13**	**2,661.80**
VI	**Tax expenses**			
	Current tax	4,830.57	1,170.15	685.90
	Adjustment of tax relating to earlier years	(160.11)	(677.07)	7.64
	Deferred tax (credit)/charge	(1,528.14)	(498.08)	(680.90)
		3,142.32	**(5.00)**	**12.64**
VII	**Profit/(Loss) after tax for the period (V-VI)**	**17,296.64**	**11,708.13**	**2,649.16**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plan	207.91	312.46	165.69
	Items that will be reclassified to profit or loss in subsequent periods:			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	(2,430.35)	396.02	3,006.78
	Total other comprehensive income/ (loss) for the year, net of tax	**(2,222.44)**	**708.48**	**3,172.47**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**	**15,074.20**	**12,416.61**	**5,821.63**

Consolidated cash flow statement

All amounts in ₹ in lakhs, except stated otherwise

Particulars	Year ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Cash flow from operating activities			
Profit before exceptional items and tax	**19,833.93**	**11,703.13**	**2,661.80**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	7,175.03	5,894.82	5,261.50
Net loss/(gain) on disposal of property, plant and equipment	(19.26)	(60.55)	(61.39)
Unrealised foreign exchange (gain)/loss, (net)	51.97	102.11	(189.10)
Gain on sale of investments in mutual fund units	(1,589.53)	(279.19)	(143.76)
Income from government grants	(173.83)	(687.27)	(158.17)
Share based payment expenses	2,298.00	135.82	520.31
Interest income	(338.44)	(645.92)	(744.66)
Finance costs	2,571.81	4,020.74	3,446.23
Irrecoverable balances written off	-	272.72	84.00
Provision for doubtful deposits and advances	-	160.52	-
Provision for doubtful debts	27.70	8.07	813.77
Excess provision of earlier years written back	(190.52)	(62.31)	-
Operating profit/(loss) before working capital changes	**29,646.86**	**20,562.69**	**11,490.53**
Changes in operating assets and liabilities:			
(Increase)/ decrease in other financial assets	(119.80)	(1,058.50)	(141.45)
(Increase)/ decrease in other assets	4,340.99	(6,493.65)	1,707.71
(Increase)/ decrease in inventories	14,062.78	(17,441.98)	3,004.03
(Increase)/ decrease in trade receivables	(4,646.66)	8,767.83	(4,665.08)
Increase/ (decrease) in provisions for employee benefits	1,560.54	1,391.67	(20.70)
Increase/ (decrease) in trade payables	(3,383.19)	2,843.13	(32.39)
Increase/ (decrease) in other financial liabilities	(700.18)	4,199.36	325.59
Increase/ (decrease) in other liabilities	(32.46)	292.43	(57.50)
	40,728.88	**13,062.98**	**11,610.74**
Direct taxes refunded/ (paid) (net of refund/payments)	(3,846.58)	(1,343.22)	260.10
Net cash flows from/ (used in) operating activities (A)	**36,882.30**	**11,719.76**	**11,870.84**

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	(13,542.44)	(7,981.09)	(3,622.12)
Proceeds from sale of property, plant and equipment	898.49	159.20	214.25
Investments in bank deposits	(5,528.27)	(14,989.14)	(14,703.28)
Proceeds from redemption of bank deposits	6,098.63	28,184.41	13,911.01
Investment in mutual funds	(36,500.00)	(27,000.00)	(1,599.92)
Proceeds from sale of investment in mutual funds	19,135.84	15,514.71	1,614.24
Interest income	302.63	882.69	963.63
Net cash flows from/ (used in) investing activities (B)	**(29,135.12)**	**(5,229.22)**	**(3,222.19)**
Cash flow from financing activities			
Proceeds from issue of shares / exercise of share options	431.49	29,258.35	3.50
Proceeds of borrowings	41,478.81	2,11,418.05	1,68,326.26
Repayment of borrowings	(44,261.00)	(2,39,131.77)	(1,71,088.69)
Payment of lease liabilities	(4,208.62)	(3,335.12)	(3,008.25)
Finance costs	(983.89)	(2,511.19)	(2,856.05)
Net cash flows from/ (used in) financing activities (C)	**(7,543.21)**	**(4,301.68)**	**(8,623.23)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	203.97	2,188.86	25.42
Cash and cash equivalents at the beginning of the year	1,268.24	(920.62)	(946.04)
Cash and cash equivalents at the end of the year	**1,472.21**	**1,268.24**	**(920.62)**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Components of cash and cash equivalents			
Balances with banks			
In current accounts	1,464.13	1,255.45	1,526.19
Cash on hand	8.08	12.79	-
Bank overdraft	-	-	(2,446.81)
Total cash and cash equivalents	**1,472.21**	**1,268.24**	**(920.62)**

Condensed Consolidated Balance Sheet

All amounts in ₹ in lakhs, except stated otherwise

Particulars	As at	As at
	December 31, 2023	March 31, 2023
ASSETS		
Non- current assets		
Property, plant and equipment	24,005.37	16,611.71
Right-of-use assets	9,644.24	11,252.12
Capital work-in-progress	11,486.83	10,786.62
Other intangible assets	105.51	111.95
Financial assets		
Investments	0.29	0.29
Other financial assets	2,853.69	2,821.95
Deferred tax assets	3,415.93	3,064.73
Non-current tax assets (net)	24.28	408.85
Other non-current assets	573.53	1,164.55
Total non-current assets	**52,109.67**	**46,222.77**
Current assets		
Inventories	27,578.62	29,299.22
Financial assets		
Investments	20,057.47	34,399.06
Trade receivables	21,480.35	13,582.68
Cash and cash equivalents	13,573.59	1,472.21
Other bank balances (other than cash and cash equivalents)	7,272.03	926.48
Other financial assets	963.67	114.03
Other current assets	10,438.22	8,185.08
Total current assets	**1,01,363.95**	**87,978.76**
Total assets	**1,53,473.62**	**1,34,201.53**
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	3,032.58	3,028.90
Other equity	97,663.39	85,596.22
Total equity	**1,00,695.97**	**88,625.12**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	2,989.22	964.31
Lease liabilities	6,709.14	8,676.98
Provision for employee benefits	1,317.11	1,346.89
Total non-current liabilities	11,015.47	10,988.18
Current liabilities		
Financial liabilities		
Borrowings	5,866.17	2,580.76
Trade payables		

Total outstanding dues of micro, small and medium enterprises	273.37	241.02

Particulars	As at	
	December 31, 2023	March 31, 2023
Total outstanding dues of creditors other than micro, small and medium enterprises	11,429.65	8,160.12
Lease liabilities	3,759.39	3,219.09
Other current financial liabilities	12,732.76	14,769.18
Other current liabilities	1,602.82	1,220.25
Provision for employee benefits	5,418.09	4,397.81
Current tax liability (net)	679.93	-
Total current liabilities	**41,762.18**	**34,588.23**
Total equity and liabilities	**1,53,473.62**	**1,34,201.53**

Condensed Consolidated Statement of Profit and Loss

All amounts in ₹ in lakhs, except stated otherwise

	Particulars	December 31, 2023	December 31, 2022
I	**Income**		
	Revenue from operations	1,56,646.60	1,69,918.47
	Other income	2,455.05	1,792.28
	Total income	**1,59,101.65**	**1,71,710.75**
II	**Expenses**		
	Cost of raw materials and components consumed	72,510.47	81,124.74
	Purchases of stock-in-trade	79.67	17.96
	Changes in inventories of finished goods and work-in-progress	882.45	8,997.19
	Employee benefits expense	53,557.57	48,257.51
	Finance costs	1,669.34	1,829.23
	Depreciation and amortization expenses	6,133.55	5,275.49
	Job work charges	486.15	979.81
	(Gain)/loss on account of foreign exchange fluctuations (net)	(14.95)	(808.57)
	Other expenses	12,191.49	11,280.01
	Total expenses	**1,47,495.74**	**1,56,953.37**
III	**Profit/(Loss) before exceptional items and tax (I-II)**	**11,605.91**	**14,757.38**
IV	**Exceptional items**	-	605.03
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**	**11,605.91**	**15,362.41**
VI	**Tax expenses**		
	Current tax	3,673.03	3,907.63
	Adjustment of tax relating to earlier years	(27.21)	-
	Deferred tax (credit)/charge	(708.82)	(1,122.60)
		2,937.00	**2,785.03**
VII	**Profit/(Loss) after tax for the period (V-VI)**	**8,668.91**	**12,577.38**
VIII	**Other comprehensive income/ (loss) (net of tax)**		
	Items that will not be reclassified to profit or loss in subsequent periods:		
	Re-measurement gains on defined benefit plan	230.86	236.25
	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)	1,886.73	(5,664.01)
	Exchange differences on translation of foreign operations		
	Total other comprehensive income for the year	**2,117.59**	**(5,427.76)**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**	**10,786.50**	**7,149.62**

Condensed Consolidated Statement of cash flow

All amounts in ₹ in lakhs, except stated otherwise

Particulars	Year ended	
	December 31, 2023	**December 31, 2022**
Cash flow from operating activities		
Profit before exceptional items and tax	**11,605.91**	**14,757.38**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	6,133.55	5,275.49
Net loss/(gain) on disposal of property, plant and equipment	(36.45)	(18.15)
Unrealised foreign exchange (gain)/loss, (net)	(1.20)	(35.45)
Gain on sale of investments in mutual fund units	(2,224.93)	(1,001.83)
Income from government grants	(812.29)	(173.83)
Share based payment expenses	1,883.19	1,785.95
Interest income	(191.39)	(216.18)
Finance costs	1,669.34	1,829.23
Provision for doubtful debts	272.31	27.70
Excess provision of earlier years written back	-	(190.52)
Operating profit/(loss) before working capital changes	**18,298.04**	**22,039.79**
Changes in operating assets and liabilities:		
(Increase)/ decrease in other financial assets	(64.24)	(78.46)
(Increase)/ decrease in other assets	(1,662.12)	3,756.65
(Increase)/ decrease in inventories	1,720.60	12,362.61
(Increase)/ decrease in trade receivables	(8,168.58)	(3,241.30)
Increase/ (decrease) in provisions for employee benefits	1,221.36	1,575.95
Increase/ (decrease) in trade payables	3,301.88	(1,984.64)
Increase/ (decrease) in other financial liabilities	(609.35)	(41.60)
Increase/ (decrease) in other liabilities	382.57	(223.91)
	14,420.16	34,165.09
Direct taxes refunded/ (paid) (net of refund/payments)	(2,581.31)	(2,996.61)
Net cash flows from/ (used in) operating activities (A)	**11,838.85**	**31,168.48**
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	(10,776.37)	(7,888.45)
Proceeds from sale of property, plant and equipment	102.35	892.59
Investments in bank deposits	(8,463.04)	(4,752.18)
Proceeds from redemption of bank deposits	2,117.49	3,319.02
Investment in mutual funds	(15,800.00)	(30,500.00)
Proceeds from sale of investment in mutual funds	32,366.52	14,750.39
Interest income	182.88	216.95
Net cash flows from/ (used in) investing activities (B)	**(270.17)**	**(23,961.68)**
Cash flow from financing activities		
Proceeds from issue of shares / exercise of share options	3.68	431.49
Proceeds of borrowings	46,786.66	26,375.46
Repayment of borrowings	(41,476.34)	(30,404.51)
Payment of lease liabilities	(3,491.72)	(3,155.19)

Particulars	December 31, 2023	December 31, 2022
Dividend paid	(606.51)	-
Finance costs	(683.07)	(620.90)
Net cash flows from/ (used in) financing activities (C)	**532.70**	**(7,373.65)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	12,101.38	(166.85)
Cash and cash equivalents at the beginning of the year	1,472.21	1,268.24
Cash and cash equivalents at the end of the year	**13,573.59**	**1,101.39**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following		
Balances with banks		
In current accounts	13,558.33	1,079.11
Cash on hand	15.26	22.28
Total cash and cash equivalents	**13,573.59**	**1,101.39**

RELATED PARTY TRANSACTION

For details in relation to the related party transactions entered into by our Company during Fiscals 2023, 2022 and 2021, 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 350, 414, and 475.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in the Preliminary Placement Document and this 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 192, 104, 145 and 38, respectively, contained in this 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 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 Placement Document. For details, see "Forward-Looking Statements" on page 15.

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. 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 2021, 2022 and 2023 and our Unaudited Condensed Consolidated Interim Financial Statements for the nine months ended December 31, 2023 (along with comparatives), 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.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Assessment of Textiles Industry" dated April 2024" ("**CRISIL Report**") prepared and issued by CRISIL, appointed by us, and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Issue. A copy of the CRISIL Report is available on the website of our Company at www.gokaldasexports.com. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For details on disclaimer, see, "Industry and Market Data" on page 14. CRISIL is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management, our Promoters or the BRLM.*

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Financial information for the nine months ended December 31, 2023 and December 31, 2022 is not indicative of full year results of operations and is not comparable with the annual financial statements presented in this Placement Document.

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 86.86%, 88.11%, 88.30%, 87.53%, and 81.54% of our total revenue from operation for the nine months ended December 31, 2023, December 31, 2022, and for Fiscals 2023, 2022, and 2021, 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 including on account of negligence by our job workers, our customers may return our products, or we may be required to recall or exchange such products at an additional cost. We have had instances in the past wherein products supplied by us has certain quality issues. H&H Asia Group Ltd. and Unik Technologyz (collectively, "**H&H**") supplied adhesive tapes, pursuant to purchase orders placed by the Company for preparation of PPE kits and out of total 6 lots supplied by H&H, one of the lots was allegedly defective and did not adhere to quality standards, and due to which PPE kits supplied by our Company were consequently returned by our customers resulting in a negative impact on our business. For details, see "*Legal Proceedings - Litigation involving our Company*". 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. While there have been no instances in nine months ended December 31, 2023 and in past three financial years, where any legal proceedings or product liability claims have been brought against us for defective products sold resulting in a material adverse effect on our business, profitability, cash flows, reputation and financial condition. We cannot assure you that we will not experience any such 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 will result in an adverse impact on our business and operations.

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. The apparel industry is affected by changes in consumer preferences, national, regional and local economic conditions and demographic trends. Our inability to identify, anticipate, understand and address contemporary and evolving customer preferences or to deliver quality service as compared to our competitors could materially and adversely affect our business. As one of the key suppliers of apparels 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. While there have been no instances in nine months ended December 31, 2023 and in past three financial years, where any of our customers has severed its relationship with our Company on account of any deficiency in product or for quality of our products, resulting in a material adverse effect on our business, profitability, cash flows, reputation and financial condition. However, the 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 quality and delivery of our products are critical to the success of our business, which requires enhancement to match the evolving customer preferences. Quality of products depend significantly on the effectiveness of our quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our personnel, the quality training program, and our ability to ensure that such personnel adhere to our policies and guidelines. We believe that our quality control procedures, training program, and our policies and guidelines must correspond to contemporary and evolving customer preferences. Any failure or deterioration of our quality control systems, or our inability to deliver quality services as compared to our competitors, could materially and adversely affect our business, financial condition, results of operations, cash flows and reputation.

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 and ready-made garments 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 and majority of our export revenues are contributed by customers located in certain geographical locations. 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 or any adverse impact in primary geographical markets which significantly contributes to our export revenue, 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. The following table sets forth our revenue from exports contributed by our top ten customers, for the periods indicated below:

(in ₹ lakhs, except percentages)

	For the nine months ended December 31, 2023		For the nine months ended December 31, 2022		For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
Particulars	**Revenue from exports**	**As a % of the Total Revenue**	**Revenue from exports**	**As a % of the Total Revenue**	**Revenue from exports**	**As a % of the Total Revenue**	**Revenue from exports**	**As a % of the Total Revenue**	**Revenue from exports**	**As a % of the Total Revenue**
Contribution from top 10 customers	128,635.75	82.12%	145,359.09	85.55%	190,132.53	85.56%	148,326.90	82.85%	92,117.68	76.08%

The loss of orders from any of these significant customers will result in a considerable reduction in our revenue, consequently resulting in an adverse impact on our business, operations, cash flows and financial position.

Further, we derive significant revenue from exports business. Our customers are predominantly based in foreign countries, and increases our exposure to adverse developments relating to, the general economic and other conditions in this geographical region where our customer are located. Exports of finished goods contribute 88.62%, 89.41%, 89.63%, 89.36% and 82.21% of our total sales of finished goods for the nine-months period ended December 31, 2023, December 31, 2022 and for Fiscals 2023, 2022 and 2021, respectively on a consolidated basis.

The following table sets forth our revenue from export of finished goods contributed by our customers located in primary geographic markets, for the periods indicated below:

(in ₹ lakhs, except percentages)

Particulars	For the nine months ended December 31, 2023		For the nine months ended December 31, 2022		For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
Sale of finished goods	**Revenue from exports of finished goods**	**As a % of the total sale of finished goods**	**Revenue from exports of finished goods**	**As a % of the total sale of finished goods**	**Revenue from exports of finished goods**	**As a % of the total sale of finished goods**	**Revenue from exports of finished goods**	**As a % of the total sale of finished goods**	**Revenue from exports of finished goods**	**As a % of the total sale of finished goods**
Exports (A)	1,27,514.91	88.62%	1,41,714.13	89.41%	1,85,190.38	89.63%	1,49,112.14	89.36%	94,173.84	82.21%
United States of America	1,09,749.19	76.27%	1,27,117.38	80.20%	1,65,149.21	79.93%	1,34,221.24	80.44%	76,754.26	67.01%
Canada	6,591.04	4.58%	6,088.95	3.84%	8,273.13	4.00%	5,595.42	3.35%	3,612.89	3.15%
Netherlands	4,020.27	2.79%	3,703.63	2.34%	4,311.42	2.09%	2,203.18	1.32%	1,149.33	1.00%
United Kingdom	1,219.49	0.85%	731.02	0.46%	1,459.83	0.71%	1,355.07	0.81%	1,344.44	1.17%
France	1,344.83	0.93%	1,225.34	0.77%	1,296.21	0.63%	1,116.98	0.67%	1,554.71	1.36%
China	1,072.56	0.75%	1,088.46	0.69%	1,151.89	0.56%	729.86	0.44%	1,056.04	0.92%
Other overseas countries	3,517.53	2.44%	1,759.35	1.11%	3,548.69	1.72%	3,890.39	2.33%	8,702.17	7.60%
Domestic (B)	16,379.96	11.38%	16,777.24	10.59%	21,415.77	10.37%	17,753.05	10.64%	20,372.42	17.79%
Total (C=A+B)	1,43,894.87	100.00%	1,58,491.37	100.00%	2,06,606.15	100.00%	1,66,865.19	100.00%	1,14,546.26	100.00%

Any external risks including the regional economic downturn, imposition of countervailing duty or changes in the regulatory or trading environment in the USA, Europe and other overseas countries where our customer are located may materially and adversely affect our business and financial results. For details, see "*Risk Factors - 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*" and "*Risk Factors - Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations*" on pages 79 and 77.

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. Our business strategies and expansion plans may be subject to various unfamiliar risks and may not be successful

Our business strategies include widening customer base, entering new geographies, shifting to cost-efficient locations, strengthening our relationships with our existing customers. We intend to undertake potential acquisitions and/or investments in line with our business objectives, from time to time, and intend to seek inorganic opportunities which are synergetic with our existing operations and growth strategies, that we believe will fit well with our expansion plans.

We have completed the following acquisitions in the Fiscal 2024:

Year	Entities Acquired	Acquisition Price	Details of Entities Acquired, and their Business	Objective of Acquisition
2024	Amibros S.A (operating under the trade name "Atraco Industrial Enterprise ("Atraco") in Dubai, UAE, and Atraco operates in Dubai as a branch of Amibros S.A) *Acquisition Details:* 100% shares of Amibros S.A. (and as a consequence acquisition of Atraco) have been acquired by Gokaldas Exports FZCO, Dubai (wholly owned subsidiary of the Company)	USD 38.50 million	Atraco is a manufacturer of apparels, operating out of Dubai, U.A.E. It produces a wide range of products and specializes in the production of casual wear, including shorts, pants, shirts, blouses, t-shirts, and dresses.	The companies or assets acquired have been in a similar line of business and have experience in making a diverse range of apparel products for all seasons. The Company expects to garner larger competitive advantage, widen global footprint, widen customer base, and increase its production capacity through aforementioned strategic acquisitions. Atraco Logistics LLC is engaged in various logistic services in Dubai.
	Atraco Logistics Co LLC *Acquisition Details:* 100% shares of Atraco Logistics Co LLC (and as a consequence, its branch) have been acquired by Gokaldas Exports FZCO, Dubai (wholly owned subsidiary of the Company)	USD 1.50 million	Atraco Logistics LLC, is an entity incorporated under the laws of Emirate of Dubai and is engaged in freight and clearing services, cargo loading and unloading, cargo packaging, shipping line agents and general warehousing purposes ("**Logistics Services**")	
	Coral Investments Limited (indirectly acquiring Ashton Apparel PLC) *Acquisition Details:* 100% shares of Coral Investments Limited ("**Coral**") (and as a consequence acquisition of Ashton Apparel Manufacturing PLC, which is a subsidiary of Coral) have been acquired by Nava Apparels L.L.C-FZ, Dubai (wholly owned subsidiary of the Company)	USD 1.60 million	Ashton Apparel Manufacturing PLC, an entity incorporated under the laws of Ethiopia, is a manufacturer and exporter of men's, women's and children's casual and associated products.	
	Coast Apparel EPZ Limited ("**CAL**")*	USD 6.00 million	CAL, AAL, and MAL are entities incorporated under the laws of Kenya and principal business activity of these entities is to manufacture wide range of apparel and export.	
	Ashton Apparel EPZ Limited ("**AAL**")*	USD 3.4 0million		
	Mombasa Apparel EPZ Limited ("**MAL**")* *Acquisition Details:* All assets of CAL, AAL, and MAL has been acquired by Nava Apparels L.L.C-FZ, Dubai (wholly owned subsidiary of the Company)	USD 4.00 million		

**All rights, interest and obligations under the aforesaid asset purchase agreements have been transferred/ novated to our wholly owned subsidiary Ashton Mombasa Apparel EPZ Limited, Kenya.*

Note: Pursuant to share swap agreement dated February 1, 2024, entered between our Company, MCPL, MDIPL, Gautam Nair and Rajeev Dhawan, our Company has acquired 10,000 equity shares of face value of ₹ 10 each on March 13, 2024, representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan. For details of MDIPL acquisition, see "Use of Proceeds" on page 89.

Risks that we may face in implementing our business strategies and plans in markets locate outside India, may substantially differ from that we have experienced in India, thereby exposing us to risks related to new geographic markets, industry verticals, suppliers and customers. The commencement of operations beyond markets in which we currently operate is subject to various risks including unfamiliarity with pricing dynamics, competition, service, and operational issues including logistics and transportation risk, failure or inability to deliver shipment in time owing to reasons beyond our control resulting in higher cost implications on our Company, risk relating to human resource including ability to retain key management and employees. Our recent acquisitions outside India including in Kenya and Mombasa may be subject to certain external risks including social unrest, political instability, strikes, lockouts, breakdown of services and utilities particularly in the areas where our manufacturing facilities are located, may result in an adverse impact on our business, operations, or financial position. We may be subject to stringent labour laws or other industry standards, including legislation that may stipulate rigorous procedures for dispute resolution and retrenchment of workers and imposes financial obligations on employers, stringent laws for engagement of contract labourers *etc.*, as applicable in respective foreign jurisdictions of recently acquired entities and any strike, work stoppage or increased wage demand by employees or any other kind of disputes with employees could adversely affect our business, financial condition and results of operations.

There can also be no assurance that we will not experience issues such as capital constraints, difficulties in expanding our existing operations and challenges in training an increasing number of personnel to manage and operate our expanded business, or that we will be able to successfully manage the impact of our growth on our operational and managerial resources and control systems. We may not be able to successfully manage some, or all of the risks associated with such an expansion into new geographical areas and new customer relationships, which may place us at a competitive disadvantage, limit our growth opportunities and materially and adversely affect 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.

7. ***The Audited Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements included in this Placement Document do not account for recent acquisitions consummated, and***

accordingly may not represent the comprehensive view of impact of such acquisitions on our consolidated financial position.

Subsequent to December 31, 2023, our Company has completed certain acquisitions *inter-alia* acquisition of Amibros S.A (operating under the trade name "Atraco Industrial Enterprise), Atraco Logistics Co LLC, Coral Investments Limited (*including its subsidiary, Ashton Apparel Manufacturing PLC*), acquisition of Coast Apparel EPZ Limited, Ashton Apparel EPZ Limited, Mombasa Apparel EPZ Limited pursuant to asset purchase agreements, and MDIPL. For further details, see "*Our Business*" on page 192. Audited Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements included in this Placement Document do not account for such acquisitions and may not represent comprehensive view of impact of such acquisitions on our consolidated financial position and results of operations. Investors should make their own independent evaluations and should conduct their own investigation and analysis and obtain independent and specified advice from appropriate professional adviser, as they deem necessary in relation to the Issue.

8. We derive a significant portion of our revenue in Euro, U.S. Dollar and GBP, 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 constituting 88.62%, 89.41%, 89.63%%, 89.36%, and 82.21% of our total sale of finished goods for the nine-month period ended December 31, 2023, December 31, 2022 and Fiscals 2023, 2022 and 2021, 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, U.S. Dollar and GBP. In our export of finished goods, the percentage of our foreign currency revenues in U.S. Dollar, Euro and GBP earned in the last three Fiscals and for the nine -month period ended December 31, 2023 and December 31, 2022, is set forth below:

Currency	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
USD	98.99%	99.77%	99.73%	99.56%	98.64%
EUR	0.13%	0.23%	0.27%	0.45%	1.36%
GBP	0.88%	Nil	Nil	Nil	Nil

Set out below are details of net gain/loss on foreign exchange fluctuations on a consolidated basis, for the periods indicated:

(in ₹ lakhs)

Currency	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
(Gain)/loss on account of foreign exchange fluctuations (net)	(14.95)	(808.57)	(668.42)	(2,109.40)	155.96

While for nine months period ended December 31, 2023 and December 31, 2022 and for Fiscals 2023 and 2022, we experienced a net gain on foreign exchange fluctuations of ₹ 14.95 lakhs, ₹ 808.57 lakhs, ₹ 668.42 lakhs and ₹ 2,109.40 lakhs on a consolidated basis, and experienced a net loss on foreign exchange fluctuations of ₹ 155.96 lakhs in Fiscal 2021. 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, Euro and GBP, a reduction in the value of the US Dollar, Euro and GBP could have a material impact on our revenue and financial condition. While the Company employs hedging measures to moderately mitigate these risks, adverse movements in exchange rates could have a material impact on our profitability. Further, our Company has undertaken certain overseas acquisitions. For details, see "*Use of Proceeds*" on page 89. Our Company along with its subsidiaries will be required to undertake operational and other expenditure and to undertake material transactions of procurement of raw material and sale of finished goods which primarily be dealt in foreign currencies denominations *inter-alia* US Dollar, Euro and

GBP. Any adverse movement of exchange rates may cause significant currency fluctuation risks to the Company and may consequently result in foreign exchange losses causing an adverse impact on our business, operations and financial position. 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. Set out below are details of imported raw materials for the period indicated:

Particulars	**Nine-month period ended December 31, 2023**	**Nine-month period ended December 31, 2022**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Raw Material Purchased (in ₹ lakhs)	71,640.90	77,857.38	103,615.31	104,744.21	57,441.75
Imported Raw Material (in ₹ lakhs)	18,325.57	22,582.37	29,083.44	25,723.54	16,743.72
Imported Raw Material as a % of Total Raw Material Purchased	25.58	29.00	28.07	24.56	29.15

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.

9. Majority 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 majority of our factories and offices are based in southern India. Our Company and our Subsidiaries have 23 operating manufacturing facilities. 20 of our manufacturing facilities are located in Karnataka, and 1 each in Madhya Pradesh, Tamil Nadu and in Andhra Pradesh. We have set up a new manufacturing facility in Acharpura Industrial Area, Bhopal, in the state of Madhya Pradesh (MP) under our wholly owned subsidiary Gokaldasexports Acharpura Private Limited and have acquired 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan pursuant to SSA, which has manufacturing facilities located in Gurgaon, Haryana and Ranchi, Jharkhand. While there have been no incidents of social unrest, natural disaster or breakdown of services and utilities in nine months ended December 31, 2023 and in past three financial years, in the areas where our manufacturing facilities are located which have resulted in an adverse impact on our business, operations, cash flows or financial position. However, 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 or other areas where our manufacturing facilities are located, it may affect our business adversely and may have consequent adverse impact on our business, operations or financial position. 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.

While we are continuously exploring possibilities of setting up such manufacturing units outside the state of

Karnataka and have undertaken inorganic expansion through acquisitions of companies through share purchase agreement or asset purchase agreements. For details of recent acquisition, see "*Risk Factors - Our business strategies and expansion plans may be subject to various unfamiliar risks and may not be successful*" and "*Use of Proceeds*" on pages 53 and 89. Any political instability, social unrest, natural disaster or breakdown of services and utilities, change in government, adverse change in applicable laws and policies in these jurisdictions may also result in adverse impact on our growth perspective, business and operations.

Therefore, while we are trying to diversify our presence beyond south of India or outside India to mitigate any geographical risks, any social unrest, natural disaster or breakdown of services and utilities in the respective region may have a material impact on our business, operations and financial condition. For details, see "*Risk Factors - Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations*" on page 77.

10. 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 December 31, 2023, our aggregate outstanding indebtedness was ₹ 8,855.39 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. While, as on date of this Placement Document, and during nine months ended December 31, 2023 and last three Fiscals 2023, 2022 and 2021, there have been no instances of non-compliance or breach of any financial or other covenants in relation to credit facilities availed by the Company leading to any financial impact on our Company and 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.

Further, we are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under all of our working capital financing agreements, the lenders are entitled to charge the applicable rate of interest, which is typically a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating, the applicable rate of interest may be changed by our lenders which may adversely affect our business and financial condition. For details of our credit ratings, see "*Risk Factors-Credit rating downgrades may increase our cost of capital and future fund raising may cause a dilution in your shareholding or place restrictions on our operations"* on page 63.

Under these financing agreements, consents from the respective lenders are required for and in connection with the Issue. While we have obtained consent from our lenders, as applicable, in relation to the Issue, however, any failure to comply with the conditions and covenants in our financing agreements or the creation of additional encumbrances that is not waived by our lenders or guarantors or otherwise cured or occurrence of a material adverse event could lead to an event of default or a cross default and consequent termination of our credit facilities could adversely affect our business, results of operations, financial condition, and cash flows.

If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

11. ***We have experienced negative cash flow from investing and financing activities in last three Fiscals 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 investing and financing activities. The details of our cash flows from operating activities, investing activities and financing activities for the nine months ended December 31, 2023, December 31, 2022 and the Fiscals 2023, 2022 and 2021 is set forth below on a consolidated basis.

(In ₹ lakhs)

S. No	Particulars	*(For the period ended)*				
		December 31, 2023	**December 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
1	Net cash flows (used in)/ from operating activities (A)	11,838.85	31,168.48	36,882.30	11,719.76	11,870.84
2	Net cash flows (used in)/from investing activities (B)	(270.17)	(23,961.68)	(29,135.12)	(5,229.22)	(3,222.19)
3	Net cash flows (used in)/ from financing activities (C)	532.70	(7,373.65)	(7,543.21)	(4,301.68)	(8,623.23)
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**12,101.38**	**(166.85)**	**203.97**	**2,188.86**	**25.42**

For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 104.

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.

12. ***We propose to utilize the Net Proceeds to fund the investment, acquisitions and inorganic growth opportunities for which targets have not been identified. Net Proceeds to be utilized towards inorganic growth initiatives may be insufficient for the cost of our proposed inorganic acquisition and the deployment of Net Proceeds towards our inorganic growth initiatives may not take place within the period currently intended, and may be reduced or delayed.***

Our Company intend to utilize ₹ 9,855.00 lakhs from our Net Proceeds to fund investment, acquisitions and inorganic growth opportunities over a period of next three fiscal years from the date of listing of Equity Shares proposed to be issued pursuant to the Issue. We intend to utilise such portion of the Net Proceeds for investment or acquisition opportunities that will enable us to enhance our product portfolio, increase geographical presence, widen customer base, increase production capacity, improve financial and operating performance, and allow deeper market penetration. For further details, see "*Use of Proceeds*" on page 89. 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 or whether these will be in the nature of asset including plant or machinery or technology acquisitions or joint ventures.

We have not entered into any definitive agreements towards any future acquisitions, investments or strategic initiatives nor have identified any target company for strategic acquisitions or for undertaking other inorganic initiatives. It is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects. In the event we are unable to identify or conclude transactions for potential inorganic growth to the extent of ₹ 9,855.00 lakhs or a part thereof over a period of next three fiscal years from the date of listing of Equity Shares pursuant to Issue, we may utilize the balance amount for any other purposes in accordance with the applicable laws. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à- vis the utilization of Net Proceeds.

This amount of Net Proceeds proposed to be utilised for the aforesaid Objects is based on our management's estimates and may not be the total value or cost of any such acquisitions, or investments, and may result in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Acquisitions and inorganic growth initiatives may be undertaken as cash transactions, or be undertaken as share-based transactions, including share swaps, or a combination thereof. However, in the event the portion of the Net Proceeds to be utilised for the inorganic growth initiatives are insufficient, or if required as an aspect of the acquisition model, our Company may conduct the acquisition as a cash transaction including using internal accrual or debt funding or may opt for any other mode of fund raising in accordance with the applicable laws. Utilisation of internal accruals towards inorganic growth initiatives may have a material adverse impact on our cash flows and financial condition.

We have recently undertaken certain strategic initiatives and/or acquisition for our inorganic growth. For details, of recent and ongoing strategic initiatives, see "*Use of Proceeds*" on page 89. Our ability to achieve benefits from recent or future investments, acquisitions and/or inorganic growth opportunities, 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 and employee retention, streamlining manufacturing processes and controls, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, financial and ERP integration, and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. 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 261. 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, non-availability of any permits, approvals, or authorisations which are required for undertaking business or operations, and accordingly 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.

13. Our inability to derive benefits from investment in our Subsidiaries to augment their capital base, which may have an adverse impact on our business, operations, financial condition or cash flows.

Our Company intends to utilize ₹ 2,591.00 lakhs for investment into our wholly owned subsidiary, SSKPL to augment its capital base, which is to be utilised for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSKPL.

Further, in line with the strategy to grow and strengthen the industry position of our Company and in furtherance to our strategy of inorganic growth, our Company has entered into a share swap agreement dated February 1, 2024 with MCPL, MDIPL, Gautam Nair and Rajeev Dhawan ("**SSA**") for acquisition of 10,000 equity shares of face value of ₹ 10 each representing 100% of the paid-up equity share capital of MDIPL ("**Sale Shares**"), from MCPL and the nominee of MCPL, namely Rajeev Dhawan ("**Matrix Acquisition**"). Our Company intends to utilize ₹ 15,534.00 lakhs for funding the Matrix Acquisition of Sale Shares of MDIPL from MCPL in terms of SSA, by way of repayment of portion of Net Debt (*as defined hereinafter*) owed by MDIPL to MCPL. For details on Objects of the Issue and risk associated with investment, acquisitions, and inorganic growth, see "*Use of Proceeds*" and "*Risk Factors - We propose to utilize the Net Proceeds to fund the investment, acquisitions and inorganic growth opportunities for which targets have not been identified. Net Proceeds to be utilized towards inorganic growth initiatives may be insufficient for the cost of our proposed inorganic acquisition and the deployment of Net Proceeds towards our inorganic growth initiatives may not take place within the period currently intended, and may be reduced or delayed*" sections on pages 89 and 59.

The actual mode of such deployment for investment into our wholly owned subsidiary, SSKPL for augmenting its capital base, has not been finalised as on the date of this Placement Document. Our inability to successfully derive benefits from our investments made in Subsidiaries may have an adverse impact on our financial position, prospects, business, operations and growth. resulting in an adverse impact on our business, operations

Further, amount to be utilised for investments in our Subsidiaries is based on our management's estimates and has not been apprised by any bank or financial institution. In the event the portion of the Net Proceeds to be utilised for making investments in subsidiaries are insufficient, we may have to seek alternative sources of funding and explore a range of options to raise requisite capital, including utilizing our internal accruals and/or seeking debt, including from third party lenders or institutions. Our inability to procure the additional requisite funds for making investment in our subsidiaries may have an adverse impact our financial position, business, operations, and growth.

14. ***The Net Proceeds from the Issue are proposed to be deployed by our Company for funding the acquisition of Sale Shares of MDIPL from MCPL, by way of repayment of portion of Net Debt owed by MDIPL to MCPL. Inability to realise targeted synergies or other anticipated benefits of MDIPL acquisition may cause an adverse effect on our business, results of operations, financial condition and prospects.***

Our Board in its meeting held on February 1, 2024 entered into a share swap agreement with MCPL, MDIPL, Gautam Nair and Rajeev Dhawan ("**SSA**") for acquisition of 10,000 equity shares of face value of ₹ 10 each ("**Sale Shares**") representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan ("**MDIPL Acquisition**"). Subsequently, our Company has acquired 10,000 equity shares of face value of ₹ 10 each on March 13, 2024, representing 100% of the paid-up equity share capital of MDIPL, and as on date of this Placement Document, MDIPL is a wholly owned subsidiary of our Company.

The MDIPL Acquisition is consummated at an enterprise value of ₹ 48,932.78 lakhs comprising, equity value of ₹ 33,398.78 lakhs (being the enterprise value less an assumed debt of ₹ 155,34.00 lakhs ("**Net Debt**") which is owed by MDIPL to MCPL), subject to adjustments on account of net debt and net working capital in accordance with the SSA. In accordance with terms of SSA, purchase consideration for Sale Shares (*constituting ₹ 33,398.78 lakhs, representing equity value of enterprise less Net Debt*) is being discharged by the Company by way of issuance of 27,31,366 Equity Shares of the Company to MCPL on a private placement basis for an aggregate value of ₹ 24,750.00 lakhs ("**Preferential Issue**") and balance by way of cash payment. In accordance with terms of SSA, the Company is required to ensure payment of (A) Net Debt constituting ₹ 15,534.00 lakhs to MCPL, directly or through MDIPL and (B) ₹ 800.00 lakhs to MCPL on account of expenditure made in relation to the Garment Dyeing Factory, situated in Gurugram, Haryana ("**GDF Amount**") (GDF Amount together with Net Debt is referred to as "**Total Debt**"), within 30 days or such other extended time period as agreed between the parties to SSA from the closing date (*i.e., 10th day following the date of extra-ordinary general meeting held for approving Preferential Issue or such other date as may be determined amongst parties)* ("**Net Reference Payment Date**"). In terms of SSA, our Company will be liable to pay interest rate of (a) 10% per annum on Net Debt if the payment of Total Debt is not made within 30 days of Net Reference Payment Date; and (b) 15% per annum on Net Debt if the payment of Total Debt is delayed beyond 30 days of Net Reference Payment Date.

We intend to utilise ₹ 15,534.00 lakhs from the Net Proceeds to fund the payment of the Net Debt to MCPL, in accordance with terms of SSA. Further in terms of SSA, MDIPL Acquisition is subject to completion of the certain conditions subsequent by MCPL and/or MDIPL *inter-alia* (a) obtaining requisite approvals from Jharkhand Industrial Area Development Authority ("**JIADA**") in relation to transaction contemplated under SSA and payment of necessary charges to JIADA; (b) obtaining certain approvals in relation to the Garment Dyeing Factory, situated in Gurugram, Haryana *inter-alia* consent to operate under the Air (Prevention and Control of Pollution) Act, 1981, and the Water (Prevention and Control of Pollution) Act, 1974; and (c) obtaining prior written consents / no-objection certificates from relevant lenders in relation to the aforesaid transaction. We cannot assure that the MCPL and/or MDIPL will be able to obtain the requisite approvals or consents from the relevant authority or fulfil conditions subsequent as prescribed under SSA, within reasonable timelines or at all. The required approvals may take longer than expected to obtain, may not be granted and/or the relevant authorities may, as a condition to granting their approval or confirmation, impose limitations or costs. Any delay or inability to obtain such approvals or fulfil conditions specified under SSA, may result in legal consequences including any adverse actions from the regulatory authorities which may cause an adverse impact on our business, and operations. If any of the conditions mentioned under SSA is not completed for any reasons as per terms of the SSA, the Net Proceeds may be required to be deployed by our Board in subsequent periods, at its sole discretion and in such manner as it may decide based on its funding requirements at the relevant point of time.

Further, in the event Company fails to realise targeted synergies or other anticipated benefits or such benefits are delayed, our business, results of operations, financial condition and prospects could be adversely affected. Even if we are able to successfully integrate our businesses and operations, it may not be possible to realise the full benefits of the integration opportunities, the synergies that we currently expect to result from the MDIPL Acquisition, or realise these benefits within the time frame that we currently expect.

For the purpose of Issue, we have included certain information related to the MDIPL and MCPL in the Placement Document. Although our Company has conducted due diligence on MDIPL and MCPL in connection with the MDIPL Acquisition, there may be material risks associated with the MDIPL or MCPL about which our Company is not aware. Any discovery of adverse information concerning the MDIPL Acquisition may result in the information about it contained in this Placement Document being inaccurate or inadequate and may materially and adversely affect our business, financial condition and results of operations.

15. Our funding requirements and proposed deployment of the Net Proceeds towards objects of the Issue are based on inter-alia management estimates and have not been independently appraised by any bank or financial institution. Net Proceeds proposed to be utilised may be subject to factors which are beyond Company's control and our inability to effectively utilise funds may have an adverse impact on our business, operations or financial conditions.

We propose to utilise ₹ 58,578.88 lakhs of our Net Proceeds for (a) repayment and /or prepayment of certain borrowings, in full or part, availed by our Company; (b) investment into our wholly owned subsidiary, Sri Susamyuta Knits Private Limited ("**SSKPL**"), for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSKPL; (c) funding the acquisition of sale shares of MDIPL from MCPL, by way of repayment of portion of debt owed by MDIPL to MCPL (d) augmenting long term cash resources to fund the investment, acquisitions and inorganic growth opportunities; and (e) general corporate purposes (collectively "**Objects**"). For further details, see "*Use of Proceeds – Objects of the Issue*" on page 89.

Our Company proposes to utilise the Net Proceeds for Objects on or before Fiscal 2027. However, the schedule of deployment of Net Proceeds from the Issue as set out in the section "*Use of Proceeds"* may be subject to change and will be at the discretion of our management. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rate fluctuations, access to capital, competitive landscape and other external factors such as changes in the business environment or regulatory climate, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws. Further, such factors could also require us to advance the utilisation before the scheduled deployment as disclosed above.

The funding requirements and deployment of the Net Proceeds mentioned as a part of the objects of the Issue are based on, *inter-alia* internal management estimates, current business plans, business strategies, availability and cost of funds, management perception of growth opportunities and risks, as applicable and have not been appraised by any bank or financial institution or other independent agency. Furthermore, the deployment of the Net Proceeds is at the discretion of our management, in accordance with applicable laws. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, macro-economic trends in ready-made garments industry, applicable laws governing our business and investments including in foreign entities etc. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

16. ***Credit rating downgrades may increase our cost of capital and future fund raising may cause a dilution in your shareholding or place restrictions on our operations.***

Any downgrade in our credit rating could *inter-alia* adversely affect our ability to raise additional financing and increase in the interest rates, borrowing costs due to heightened perceived credit risk, adverse effect on other commercial terms at which such additional financing is available and negative impact on reputation and market perception of business of our Company. Set out below are details of credit ratings during Fiscal 2024 (up to nine months ended December 31, 2023), and in last three Fiscals:

ICRA Limited

Instrument	**Type**	**Fiscal 2024 (up to nine months ended December 31, 2023)**		**Fiscal 2023**		**Fiscal 2022**	**Fiscal 2021**	
		As on February 12, 2024^	**As on September 6, 2023^**	**As on March 23, 2023^**	**As on December 29, 2022^**	**As on December 27, 2021^**	**As on October 6, 2020^**	**As on April 24, 2020^**
Fund-Based Limits	Short term	[ICRA]A1&	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A2+	[ICRA]A3+	[ICRA]A3+
Fund Based – Term Loan	Long term	[ICRA]A &	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Positive)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
Unallocated	Long term	[ICRA]A &	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A- (Positive)	-	-
Non Fund-based limits	Short term	[ICRA]A &	[ICRA]A1	[ICRA]A1	-	-	-	-
Unallocated	Short term	-	-	-	-	[ICRA]A2+	-	-

^Represents dates of the credit rating reports obtained by our Company from ICRA Limited.

CRISIL Limited

Instrument	**Type**	**CY 2024**	**CY 2023**		**CY 2022**		**CY 2021**
		As on January 12, 2024^	**As on December 5, 2023^**	**As on Sept 6, 2022^**	**As on August 3, 2022^**	**As on July 14, 2022^**	**-**
Fund-Based Limits	Long term	CRISIL A/Positive	CRISIL A/Watch Developing	CRISIL A/Watch Developing	CRISIL A/Positive	CRISIL A/Positive	-
Non Fund-based limits	Short term	CRISIL A1	CRISIL A1/Watch Developing	CRISIL A1/Watch Developing	CRISIL A1	CRISIL A1	-

^Represents dates of the credit rating reports obtained by our Company from CRISIL Limited.

While our credit ratings have not been downgraded in Fiscal 2024 (up to date of filing of this PPD), and last three Fiscals 2023, 2022 and 2021, we cannot assure you that we will be able to maintain or improve such credit ratings. In the future, we may be required to raise additional funding to meet capital or operational expenditure requirements, for our business or operations, to increase our shareholding in subsidiaries and/or associated companies. Such funding, if raised through the issuance of equity securities, may cause a reduction in the percentage ownership of our existing shareholders at that particular point in time. Alternatively, if such funding requirements are met by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to pursue our growth plans;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and
- limit our flexibility in planning for, or reacting to, changes in our business and our industry.

17. ***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. We further have no long-term contracts with suppliers of raw material and typically procure goods pursuant to purchase orders placed with identified suppliers. In absence of such long-term contracts, we have limited control on pricing of raw material. 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.

18. ***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 are 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 there have been no accidents in the past resulting in material loss of property or life in the facilities and/or material disruption in the manufacturing processes in the past, and 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 take time to repair our properties, replenish stocks, which may in turn result in us being unable to meet our business commitments and we may be held liable for the loss of life.

19. ***Our Statutory Auditors have included an emphasis of matter and other matters in their audit reports and other audit qualifications in the annexure to the auditors' reports issued under the Companies (Auditor's Report) Order, 2016 for Fiscal 2021, and the Companies (Auditor's Report) Order, 2020 for Fiscals 2022, and 2023.***

The audit reports on our audited consolidated and standalone financial statements as at and for the Fiscal 2021, contain emphasis of matter which describes the uncertainties relating to the effects of the COVID-19 pandemic on our Company's operations, as set out below:

S. No.	Financial Statements	Emphasis of Matter
(1)	Consolidated and standalone financial statements for the Fiscal 2021	*Emphasis of Matter:* (a) Note 48 to the standalone financial statements and 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 standalone financial statements and 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 The audit opinion was not modified in respect of this matter.

Further, there are certain modifications included in the annexure to the auditors' reports issued under (a) the Companies (Auditor's Report) Order, 2020 on the standalone financial statements of the Company and its subsidiaries for the year ended March 31, 2023 and March 31, 2022, and (b) the Companies (Auditor's Report) Order, 2016 (as amended) on the standalone financial statements of the Company and its subsidiaries for the year ended March 31, 2021. For details of such modifications please see, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 104. We cannot assure you that our audit reports for any future fiscal periods will not contain qualifications, emphasis of matters or other observations which affect our cash flows or results of operations in such future periods.

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

Out of the 23 manufacturing facilities we operate, 20 facilities are leased/rented by us and our Subsidiaries, and 4 are owned. While the terms of the lease permit renewal, we cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease arrangements in the past, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements to shift our manufacturing operations. We cannot assure you that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities during this period, we may suffer a disruption in our operations or incur substantial expenditure in relocating our factories, have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations. 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. Furthermore, the deeds for our existing and future leased properties may not be adequately stamped or such stamp duty may not be accepted as evidence in a court of law, and we may be required to pay penalties for inadequate stamp duty.

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.

21. ***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***

In accordance with IND AS 37, we have disclosed following contingent liabilities as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

(in ₹ lakhs)

Nature of contingent liabilities	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Bank Guarantees				
Sanctioned	380.00	2,770.00	150.00	263.00
Outstanding	378.72	366.52	150.00	171.68
Outstanding letters of credit				
Sanctioned	40,822.00	16,822.00	6,322.00	4,249.00
Outstanding	29,562.00	4,171.34	3,587.68	3,167.32
Litigations				
Matters relating to direct taxes under dispute	-	-	278.43	278.43
Matters relating to other taxes under dispute	122.54	122.54	122.54	132.15

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize or if at any time, we are compelled to pay all or a material proportion of these contingent liabilities, our financial condition, cash flows and results of operation may be adversely affected. For details, see "*Financial Information*" on page 270.

22. ***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. For nine months ended December 31, 2023, and December 31, 2022 and for Fiscals 2023, 2022 and 2021, our operating revenues earned from export incentives and others were ₹ 9,858.50 lakhs, ₹ 8,172.28 lakhs, ₹11,492.43 lakhs, ₹8,813.05 lakhs and ₹4,712.80 lakhs on consolidated basis.

These incentives could be modified or removed at any time, which could adversely affect our business and profitability. Furthermore, while there have been no such instances of failure in compliance by the Company of requirements of exports related incentives available to textile sector during nine months ended December 31, 2023 and Fiscals 2023, 2022 and 2021, however 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.

23. ***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 lab or 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. While there have been no instances of revocation of approvals in nine months ended December 31, 2023 and Fiscals 2023, 2022, and 2021 owing to non-compliance of any terms or conditions of such approvals, however, there can be no assurance that such approvals, licenses, permits and registrations may not be revoked in the event of any noncompliance with any terms or conditions imposed thereof, which may result in an adverse impact on our ability to undertake our business and operations.

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. We have recently completed certain acquisitions comprising acquisition of Amibros S.A (*operating under the trade name "Atraco Industrial Enterprise*"), Atraco Logistics Co LLC, Coral Investments Limited (*including its subsidiary, Ashton Apparel Manufacturing PLC*), acquisition of Coast Apparel EPZ Limited, Ashton Apparel EPZ Limited, Mombasa Apparel EPZ Limited pursuant to asset purchase agreements, and MDIPL. While our Company has conducted due diligence on the aforesaid entities, however considering that these are recently consummated acquisitions and our Company is in process of integrating the business, operations, internal controls and processes, there may be certain material risks associated with such acquired entities including statutory or regulatory risks about which our Company may not be aware. Certain of these entities are subject to statutory and regulatory permits, licenses and approvals in their respective foreign jurisdictions, which are significantly different from regulatory requirements in India. 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.

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.

24. ***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.

25. ***Our customers may go bankrupt on account of various reasons which may impact our revenue growth and loss of business and profit thereon. Any delays and/or defaults by our customer in making payments will result in increased working capital requirements and reduction of our Company's revenue leading to negative impact on business, operations, cash flows and profits.***

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. Recently, one of the customers of MDIPL filed for Chapter 11 bankruptcy protection in the USA Court on April 22, 2024. Chapter 11 filing implies "reorganization bankruptcy" wherein it allows businesses to keep operating while it restructures its finances by filing a reorganization plan. MDIPL has an outstanding receivable of US$ 1.75 million as on date of this Placement Document. While, MDIPL also holds trade credit risk policy, we cannot assure or 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.

Further, we have experienced certain delays in receipt of payments from our customers in ordinary course of business, which typically result in short-term impact on our cash flows and working capital cycle. Any significant delay or default by our customers in making payments could result in (a) negative impact on our cash flows, (b) increased working capital requirement for which Company may have to seek additional debt, resulting in increased borrowing costs, (c) loss of revenue, leading to material adverse impact on our business, operations, profits, reputation, and financial position.

26. There are certain legal proceedings pending against our Company 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, 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 261 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, listed before Chief Metropolitan Magistrate Court, Bengaluru and filed by the Government of India (*represented through B Karibasappa*). However, 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.

27. 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, 2023, and as of December 31, 2023 we had 26,424 and 33,610 full-time employees, respectively, at our Company. Besides, we also have over 12,000 employees working in the manufacturing units of our overseas subsidiaries. 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. While there have been no strikes, lock-outs or other material labour actions in the Company or its manufacturing facilities during nine months ended December 31, 2023, and Fiscals 2023, 2022, and 2021, in the event any strikes, lock-outs, and other material labour actions occur, it may result in 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. Although we have not experienced any material instances during nine months ended December 31, 2023, and Fiscals 2023, 2022, and 2021, 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 or epidemic like Covid-19 can 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 similar to 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 also engage 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.

Further, we may be exposed to risks of loss, fraud, theft, misappropriation, or unauthorized transactions by employees or other personnel we engage for our business or operations. While there have neither been any instances of fraud nor any material instances of theft or misappropriation or unauthorised transactions during nine months ended December 31, 2023 and Fiscals 2023, 2022, and 2021, however we cannot assure that such instances will not occur in future, and if occur, may result in an adverse effect on our reputation, business or operations.

28. ***Our dependency on continuous supply of power is high. Frequent disruption in power cuts 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. While we have not experienced significant increase in power tariffs during nine months ended December 31, 2023, and Fiscals 2023, 2022, and 2021, however any significant increase in power tariffs will also increase operating costs, which may impact our profitability and results of operations.

29. ***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 unprecedented situations like 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.

30. ***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. While no material adverse action has been imposed by the regulatory or statutory authorities in relation to non-compliance with the applicable environment laws, however 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.

31. ***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, and 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.

As on the date of this Placement Document, our Company has neither received any show cause notice in respect to the aforementioned records, nor any penalty or fine has been imposed by any regulatory authority in respect to the same. While the liability if any is not likely to be material, we cannot assure you that the above-mentioned corporate records will be available in the future, and that we will not be subject to any proceedings initiated by any regulatory or statutory authority (including the RoC) in this respect. Any actions including legal proceedings if initiated by regulatory or statutory authorities, may have an adverse effect on our financial condition or reputation.

32. ***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. While no such instances have occurred in past nine months ended December 31, 2023, and Fiscals 2023, 2022, and 2021, any sale of counterfeit or imitation products which does not match the quality standards of our products can have a material adverse impact our reputation. It may also materially affect our business, prospects, results of operations and financial conditions.

33. 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 unprecedented events like 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.

34. ***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.

35. 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 Vice Chairman and 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 210. 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.

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

In the ordinary course of business, we have entered into and continue to enter into transactions with certain related parties. While all such related party transactions have been conducted on an arm's length basis, in ordinary course of business, and related-party transactions that we may enter into or have entered in the past are or have been subject to approval by our Board of Directors, as required under the Companies Act and the SEBI Listing Regulations, however, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with non-related parties. We may enter into related party transactions in the future and cannot assure you that such future transactions, individually or in the aggregate, will not involve conflicts of interest. For more information regarding related party transactions, see "*Financial Information*" on page 270.

37. 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. While no such instances have occurred in nine months ended December 31, 2023, and Fiscals 2023, 2022, and 2021, any 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.

38. This Placement Document contains information from CRISIL Report which has been exclusively commissioned and paid for by our Company solely for the purposes of the of confirming our understanding of the industry exclusively in connection with the Issue and reliance on such information for making an investment decision in the Issue is subject to certain inherent risks.

This Placement Document contains information from CRISIL Report, which has been exclusively commissioned and paid for by our Company, pursuant to an engagement with our Company and such industry and third-party related information has not been independently verified by us. The CRISIL Report use certain methodology for marketing and forecasting. We commissioned the CRISIL Report for the purpose of confirming our understanding on the apparel and ready-made garments industry, and the future outlook of the industry. Moreover, the industry sources including the CRISIL Report contains certain industry and market data, based on certain assumptions. Such assumptions may change based on various factors. Further, the CRISIL Report uses certain methodologies for market sizing and forecasting. There are no standard data gathering methodologies, and methodologies and assumptions vary widely among different industry sources.

Industry sources and publications are prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, the CRISIL Report or any other industry data or sources are not recommendations to invest in any company or sector covered in the CRISIL Reports. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in the Preliminary Placement Document or this Placement Document, based on, or derived from, the CRISIL Report. While the BRLM has exercised due diligence in relation to the CRISIL Report as required under applicable laws, you should consult your own advisors and undertake an independent assessment of information in the Preliminary Placement Document or this Placement Document based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue.

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

Our Promoter, Directors, key management personnel and senior 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 or senior 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 49.

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.

40. 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 23 operating manufacturing facilities of which 20 of our manufacturing facilities are located in Karnataka, and 1 each in Madhya Pradesh, Tamil Nadu and in Andhra Pradesh. In addition, we may also engage contract manufacturers for fulfilment of orders placed by our customers due to extraordinary situation like COVID-19 pandemic or other situations 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.

41. 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. While we have recently incorporated our subsidiary, Gokaldas Exports Corporation in Delaware, USA, however, we do not have any significant presence or offshore offices in USA and EU. 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 and 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.

42. ***We are dependent on information technology systems in carrying out our business activities and they form 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.

43. 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.

The COVID-19 pandemic has had, and may continue to have, repercussions across local, national, and global economies and financial markets. Our industry had been severely affected by the global outbreak of the COVID-19 pandemic since early 2020 due to government-mandated restrictions on movement, and lockdown imposed by central and state governments. While the lockdown measures have been lifted and the apparel and textile sector has resumed its operations in Fiscal 2022 with greater health and safety measures, any resurgence of the COVID-19 pandemic, spread of any new variant of COVID-19, or spread of any other epidemic in future may result in adverse impact on our business, financial condition, cash flows, and results of operations. The extent to which the COVID-19 pandemic, any new strain of COVID-19, any future epidemic, or widespread public health emergency will impact our business and financial position, is significantly dependent on future developments, which are highly uncertain and cannot be predicted.

Our business growth is dependent on the revenue growth of our customers in their respective geography. Due to unprecedented events like 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. Any intensification of the COVID-19 pandemic, any future outbreak of another highly infectious or contagious disease, widespread public health emergency or epidemic may adversely affect the business, financial condition, cash flows and results of operations of our Company.

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 Information*" and "*Risk Factors - Our Statutory Auditors have included an emphasis of matter and other matters in their audit reports and other audit qualifications in the annexure to the auditors' reports issued under the Companies (Auditor's Report) Order, 2016 for Fiscal 2021, and the Companies (Auditor's Report) Order, 2020 for Fiscals 2022, and 2023*" on pages 270, and 64.

B. EXTERNAL RISK FACTORS

Risks Relating to India

44. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, cash flows and results of operations.

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general and microfinance businesses, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill, 2023 ("Finance Bill") has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023 ("**Finance Act**"). Further, the Government of India has announced the Interim Union Budget for Fiscal 2025 on February 1, 2024 ("**Interim Budget**"). We have not fully determined the impact of these recent and proposed laws and regulations on our business. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Government has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses.

Moreover, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("**ITC**"). Any future increases in taxation or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Further, the Finance Act, 2023 has proposed to consider perquisites or benefits arising from business whether convertible into money or not or payable in cash or kind, as taxable income. Such changes may adversely affect our business, prospects, financial condition, cash flows and 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

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

45. ***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.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and the COVID-19. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading 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.

46. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy may be influenced by economic and market conditions in other countries, including conditions in the United States, Europe and Asia. In particular, the ongoing military conflicts between Russia and Ukraine could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

47. 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.

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.

48. ***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.

The war in Ukraine, Israel-Palestine conflict and escalating tension among countries in the Middle East have contributed to rising rates of inflation, including in India. In response to the rising rates of inflation, various central banks, including the RBI has increased interest rates, resulting in increased cost of credit. Further deterioration in the global economy because of the Russia-Ukraine conflict, Israel-Palestine conflict, any significant escalation of an existing or new pandemic or otherwise, or the perception that such deterioration or escalation could occur, may continue to adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. 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 slowdown in the economic growth of India. Economic growth in the countries in which we operate or where our clients are located 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 or economies of countries which comprises primary market for our finished goods 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 or other economies where we have customers could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

49. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition.

The Unaudited Condensed Consolidated Interim Financial Statements for the nine months ended December 31, 2023 (along with comparatives), included in this Placement Document have been prepared in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the Audited Consolidated Financial Statements for Fiscals 2023, 2022, and 2021 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, as amended. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Unaudited Condensed Consolidated Interim Financial Statements and Audited Consolidated Financial Statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with generally accepted accounting principles including Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. In addition, some of our competitors may not present their financial statements in accordance with Ind AS and their financial statements may not be directly comparable to ours, and therefore reliance should accordingly be limited.

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

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. The Competition Act has been recently amended pursuant to Companies (Amendment) Act, 2023, which has, *inter-alia* increased the scope of agreements to be reviewed by the Competition Commission of India and reporting of transaction to Competition Commission of India will be based on deal value of acquisition, merger or amalgamation, instead on asset or turnover. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect 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 of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty 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 may adversely affect our business, financial condition, cash flows, results of operations and prospects.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. 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.

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.

52. ***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, with highest contribution in exports from United States of America, Canada, Netherlands and United Kingdom for Fiscal 2023 constituting 86.73% of the total consolidated turnover. We mainly operate in two geographical areas of the world, i.e., India and Rest of World constituting 10.37% and 89.63% of the total consolidated turnover (sale of finished goods) for Fiscal 2023. 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 including promulgation of laws in respective jurisdictions where we operate, which has effect of restricting free trade in apparels or imposition of sanctions or additional duties or reduction in incentives available on export of apparels from India, 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.

53. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLM or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a company incorporated under the laws of India and all of our Directors, except George Varughese are located in India. Nearly all of our assets, our Key Managerial Personnel, Senior Management Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

54. ***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 or may subject acquirer to stringent compliance requirements, because of Takeover Regulations.

55. ***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.

56. 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.

C. Risks Relating to the Equity Shares and this Issue

57. 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 ESOS Schemes) or disposal of our Equity Shares or any other change in our shareholding structure 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, as applicable) 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 price at Equity Shares will be issued pursuant to Issue. 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.

58. 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.

59. ***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 Manager. 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.

60. 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.

61. ***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, unprecedented events like 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.

62. ***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 capital gains 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 2020**"), 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 2020 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 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends.

Additionally, the Finance Act 2020 does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Further, the Government of India proposed additional tax measures in Finance Act, 2022 and Union Budget for Fiscal 2023 which, among others, requires the taxpayers to explain sources of cash credits, extended the anti-tax avoidance provision to bonus stripping of securities and repeals the 15% concessional rate on foreign dividends. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

63. ***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.

64. 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.

65. ***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.

66. 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.

67. ***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.***

Our Company has declared and paid dividend of ₹ 1 per equity share of face value of ₹ 5 each, for the Fiscal 2023. Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Our Company's ability to pay dividends in the future is determined by the Dividend Policy adopted by our Company and will depend upon factors including but not limited to the profitable growth of our Company, financial performance, the cash flow position of our Company, accumulated reserves, business cycles, economic environment, changes in the government policies, industry specific rulings and regulatory provisions, liquidity position, capital expenditure requirements, debt obligations, the external market conditions, the future potential of our Company and other factors considered relevant by our Board. We can neither assure you that dividends will be paid in the future nor can assure that we will be able to generate sufficient revenues and, as such, pay dividends to our Company's shareholders in future consistent with our past practices, or at all. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

68. ***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.

69. 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 Placement Document, 6,33,82,860 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 April 22, 2024 the closing price of the Equity Shares on the BSE and the NSE were ₹ 810.10 and ₹ 811.10 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 2024, 2023 and 2022.

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ in lakhs)**	**Average price for the year (₹)**
2024	1,022.00	05-Dec-23	4,33,892	4,239.73	351.05	11-Apr-23	5,106	18.04	687.44
2023	519.55	18-May-22	1,74,227	860.41	301.10	14-Jul-22	71,303	222.66	375.26
2022	438.00	31-Mar-22	1,95,156	816.71	73.05	19-April-21	20,034	15.34	234.62

(Source: www.bseindia.com)

Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the year (₹ in lakhs)**
2024	1,022.95	05-Dec-23	8,77,810	8,376.95	351.00	12-Apr-23	3,73,446	1,331.04	687.48
2023	519.90	18-May-22	26,90,598	13,311.83	301.10	14-Jul-22	13,32,057	4200.23	375.34
2022	438.80	31-Mar-22	20,10,059	8,387.93	75.15	19-Apr-21	1,09,919	86.10	234.62

(Source: www.nseindia.com*)*

Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

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, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ in lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ in lakhs)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in lakhs)**
March 2024	858.10	01-Mar-24	25,532	216.23	690.00	13-Mar-24	33,549	248.50	761.42	7,33,469	5,741.49
February 2024	985.00	02-Feb-24	49,865	475.54	823.85	27-Feb-24	13,558	113.67	877.41	3,16,909	2,809.31
January 2024	955.00	30-Jan-24	58,360	545.71	806.05	09-Jan-24	13,109	107.24	882.53	4,59,008	4,084.47
December 2023	1022.00	05-Dec -23	4,33,892	4,239.73	813.70	29-Dec-23	9,774	81.05	894.17	8,20,516	7,746.11
November 2023	1002.55	30-Nov-23	32,689	314.58	771.20	03-Nov-23	41,977	328.62	861.56	5,07,310	4,373.52
October 2023	989.15	16-Oct-23	1,77,030	1655.79	747.00	03-Oct-23	20,434	156.51	853.75	10,29,684	8,846.19

(Source: www.bseindia.com)

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ in lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ in lakhs)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in lakhs)**
March 2024	858.35	02-Mar-24	7,694	64.84	686.70	13-Mar-24	5,82,074	4,341.17	761.28	74,99,999	57,079.67

NSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakhs)
February 2024	987.00	02-Feb-24	14,77,925	14,009.46	823.40	27-Feb-24	2,88,063	2,418.85	877.03	73,36,058	65,427.04
January 2024	956.00	30-Jan-24	5,74,001	5,364.77	807.00	09-Jan-24	2,43,685	1,997.08	882.90	6,363,409	56,383.36
December 2023	1022.95	05-Dec-23	8,77,810	8,376.95	813.00	29-Dec-23	3,84,147	3,181.07	893.85	5,901, ,058	53,801.58
November 2023	1002.20	30-Nov-23	20,51,274	19,887.34	771.00	03-Nov-23	5,78,237	4,523.53	861.68	82,34,554	72,715.39
October 2023	989.00	16-Oct-23	27,04,353	25,295.24	746.05	03-Oct-23	2,74,053	2,083.07	853.53	1,20,24,145	1,05,303.59

(Source: www.nseindia.com)

Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen*

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

3. The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ lakhs)	
	BSE	NSE	BSE	NSE
Fiscal 2024	90,62,817	10,17,43,076	65,399.74	7,43,563.00
Fiscal 2023	1,37,97,871	12,41,72,289	52,557.01	4,85,860.07
Fiscal 2022	1,45,11,069	11,79,49,565	32,311.38	2,55,056.77

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

4. The following table sets forth the market price on the Stock Exchanges on February 1, 2024, 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)
928.55	985.00	920.00	933.85	49,865	475.54

(Source: www.bseindia.com)

NSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (in ₹ lakhs)
922.95	987.00	920.00	934.35	14,77,925	14,009.46

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue will be aggregating to ₹ 60,000 lakhs* ("**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and expenses of the Issue of approximately ₹ 1,421.12 lakhs, shall be approximately ₹ 58,578.88 lakhs* ("**Net Proceeds**").

*****_Subject to allotment of Equity Shares pursuant to the Issue_

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds towards following objects:

(In ₹ lakhs)

S. No.	Particulars	Amount which will be financed from Net Proceeds#
1.	Repayment and /or prepayment of certain borrowings, in full or part, availed by our Company	17,020.00
2.	Investment into our wholly owned subsidiary, Sri Susamyuta Knits Private Limited ("SSKPL"), for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSKPL	2,591.00
3.	Funding the acquisition of Sale Shares of MDIPL from MCPL, by way of repayment of portion of Net Debt owed by MDIPL to MCPL	15,534.00
4.	Augmenting long term cash resources to fund the investment, acquisitions and inorganic growth opportunities	9,855.00
5.	General Corporate Purposes*	13,578.88
Total Net Proceeds		**58,578.88**

 # Subject to allotment of Equity Shares pursuant to the Issue.
**The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds*

The main objects clause and objects incidental & ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake the existing activities and the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ lakhs)

S. No.	Particulars	Amount which will be financed from Net Proceeds	Estimated deployment of the Net Proceeds		
			Fiscal 2025	Fiscal 2026	Fiscal 2027
1.	Repayment and /or prepayment of certain borrowings, in full or part, availed by our Company	17,020.00	17,020.00	-	-
2.	Investment into our wholly owned subsidiary, SSKPL, for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSKPL	2,591.00	2,591.00	-	-
3.	Funding the acquisition of Sale Shares of MDIPL from MCPL, by way of repayment of portion of Net Debt owed by MDIPL to MCPL	15,534.00	15,534.00	-	-
4.	Augmenting long term cash resources to fund the investments, acquisitions and inorganic growth opportunities	9,855.00	3,855.00	3,000.00	3,000.00
5.	General Corporate Purposes*	13,578.88	13,578.88	-	-
Total Net Proceeds		**58,578.88**	52,578.88	3,000.00	3,000.00

**The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds*

The funding requirement, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, current circumstances of our business, prevailing market conditions, agreements entered into by the Company and other technical factors and commercial considerations. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rates fluctuation, access to capital, competitive landscape and other external factors such as changes in the business environment or regulatory climate, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. For details on risks involved, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds towards objects of the Issue are based on inter-alia management estimates and have not been independently appraised by any bank or financial institution. Net Proceeds proposed to be utilised may be subject to factors which are beyond Company's control and our inability to effectively utilise funds may have an adverse impact on our business, operations or financial conditions*." on page 62.

Further, in the event, the Net Proceeds are not utilized (in full or in part) for the Object of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of the Net Proceeds, towards the aforementioned Object of the Issue, ahead of the estimated schedule of deployment specified above. For details, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds towards objects of the Issue are based on inter-alia management estimates and have not been independently appraised by any bank or financial institution. Net Proceeds proposed to be utilised may be subject to factors which are beyond Company's control and our inability to effectively utilise funds may have an adverse impact on our business, operations or financial conditions"* on page 62.

Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements.

Details of the Object of the Net Proceeds

1. Repayment and /or prepayment of certain borrowings, in full or part, availed by our Company

Our Company has entered into various financing arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowings in the form of, *inter-alia* cash credit facilities and working capital demand loans including fund based and non-fund based borrowings. As on April 15, 2024, our total outstanding borrowings amounted to ₹ 17,020.00 lakhs. Our Company proposes to utilise an estimated amount of ₹ 17,020.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements provided in the table below, is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding, the remaining tenor of the loan, and provisions of any laws, rules and regulations governing such borrowings.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings, given in the table below, may vary from time to time. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns, and enhancement of sanctioned limits. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹ 17,020.00 lakhs.

Such repayment and/or pre-payment will help reduce our outstanding indebtedness, debt servicing costs, improve our debt-to-equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion.

The following table provides the details of outstanding borrowings availed by our Company as of April 15, 2024, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

S. No.	Name of the Lender	Nature of borrowing	Purpose for which disbursed loan amount was sanctioned and utilized by the Company	Loan amount sanctioned as on April 15, 2024 (in ₹ lakhs)	Outstanding loan amount as of April 15, 2024 (in ₹ lakhs)	Interest rate as on April 15, 2024 (% p.a.)	Tenor /Repayment schedule	Loan Maturity Date	Pre-payment conditions/penalty
1	The Federal Bank Limited	Working Capital Demand Loan	Working capital requirement	800.00	800.00	8.30	3 Month	12-05-2024	Not applicable
2	RBL Bank Limited			1,400.00	1,400.00	8.60	6 Month	12-08-2024	
3	HDFC Bank Limited			600.00	600.00	8.50	3 Month	14-05-2024	
4	RBL Bank Limited			700.00	700.00	8.75	6 Month	13-08-2024	
5	RBL Bank Limited			400.00	400.00	8.75	6 Month	14-08-2024	
6	RBL Bank Limited			700.00	700.00	8.75	6 Month	15-08-2024	
7	RBL Bank Limited			650.00	650.00	8.75	6 Month	17-08-2024	
8	HDFC Bank Limited			400.00	400.00	8.50	6 Month	20-05-2024	
9	The Federal Bank Limited			450.00	450.00	8.30	3 Month	18-08-2024	
10	The Federal Bank Limited			700.00	700.00	8.30	6 Month	19-08-2024	
11	The Federal Bank Limited			250.00	250.00	8.30	6 Month	20-08-2024	
12	HDFC Bank Limited			550.00	550.00	8.50	6 Month	21-08-2024	
13	HDFC Bank Limited			700.00	700.00	8.50	6 Month	21-08-2024	
14	HDFC Bank Limited			1,000.00	1,000.00	8.50	6 Month	23-08-2024	
15	HDFC Bank Limited			600.00	600.00	8.48	6 Month	23-08-2024	
16	HDFC Bank Limited			300.00	300.00	8.43	6 Month	26-08-2024	
17	The Federal Bank Limited			300.00	300.00	8.30	6 Month	26-08-2024	
18	HDFC Bank Limited			1,400.00	1,400.00	8.46	6 Month	27-08-2024	
19	HDFC Bank Limited			500.00	500.00	8.50	6 Month	28-08-2024	
20	HDFC Bank Limited			230.00	230.00	8.50	6 Month	31-08-2024	
21	RBL Bank Limited			890.00	890.00	8.75	6 Month	03-09-2024	
22	RBL Bank Limited			800.00	800.00	8.75	3 Month	09-07-2024	
23	RBL Bank Limited			1,500.00	1,500.00	8.75	3 Month	11-07-2024	
24	State Bank of India			1,200.00	1,200.00	8.40	3 Month	11-07-2024	
	Total			**17,020.00**	**17,020.00**				

Note: Details in the aforementioned table are certified by SSB & Associates, Independent Chartered Accountant, pursuant to their certificate dated April 23, 2024. Further, the loan has been utilised for the purpose for which it has been availed by our Company.

For the purposes of the Offer, our Company has obtained necessary consents and notified the relevant lenders, as is respectively required under the relevant facility documentation. For details, see "*Risk Factors - Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results*" on page 58. Further, to the extent our Company may be subject to the levy of any cost in relation to repayment or pre-payment of loans, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable, payment of such costs shall be made from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such costs, such excessive amount shall be met from our internal accruals.

2. Investment into our wholly owned subsidiary, Sri Susamyuta Knits Private Limited ("SSKPL"), for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by SSKPL

Our Company proposes to invest ₹ 2,591.00 lakhs from the Net Proceeds in SSKPL in the form of investment in either equity or debt instruments or in any other manner as may be mutually agreed between our Company and SSKPL in accordance with applicable law. The actual mode of such deployment has not been finalised as on the date of this Placement Document.

The selection of borrowings proposed to be repaid/pre-paid by SSKPL amongst borrowing arrangements provided in the table below, is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding, the remaining tenor of the loan, and provisions of any laws, rules and regulations governing such borrowings.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings, given in the table below, may vary from time to time. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with business cycle with multiple intermediate repayments, drawdowns, and enhancement of sanctioned limits of credit facilities availed by SSKPL. We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness, debt servicing costs, and improve our debt-to-equity ratio, on a consolidated basis.

The following table provides the details of outstanding borrowings availed by SSKPL as of April 15, 2024, which is proposed to be repaid or prepaid, in full or in part:

S. No.	Name of the Lender	Nature of borrowing	Purpose for which disbursed loan amount was sanctioned and utilized by SSKPL	Loan amount sanctioned as on April 15, 2024	Outstanding loan amount as of April 15, 2024	Interest rate as on April 15, 2024 (% p.a.)	Tenor /Repayment schedule /scheduled repayment date	Pre-payment conditions/penalty
				(in ₹ lakhs)				
1.	RBL Bank Limited	Term Loan	Purchase of plant and machinery	3,000.00	2,591.60	9.55	6 Years including a moratorium period of 12 months. Payable in 20 equated quarterly instalments	Not applicable

Note: Details in the aforementioned table are certified by SSB & Associates, Independent Chartered Accountant, pursuant to their certificate dated April 23, 2024. Further, the loan has been utilised for the purpose for which it has been availed by SSKPL.

Further, to the extent SSKPL may be subject to the levy of any cost in relation to repayment or pre-payment of loans depending on the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable. Payment of such costs, as applicable, shall be made from the Net Proceeds. If amount invested by our Company into SSKPL from Net Proceeds, is insufficient to the extent required for making payments for such costs, such excessive amount shall be met by SSKPL from its internal accruals or from such other means of finance as may be determined by SSKPL in accordance with the applicable laws.

3. Funding the acquisition of Sale Shares of MDIPL from MCPL, by way of repayment of portion of Net Debt owed by MDIPL to MCPL

In line with the strategy to grow and strengthen the industry position of the Company and in furtherance to our strategy of inorganic growth, our Board in its meeting held on February 1, 2024 entered into a share swap agreement with Matrix Clothing Private Limited ("**MCPL**"), Matrix Design & Industries Private Limited ("**MDIPL**"), Gautam Nair and Rajeev Dhawan ("**SSA**") for acquisition of 10,000 equity shares of face value of ₹ 10 each ("**Sale Shares**") representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan ("**Matrix Acquisition**"). Our Company has acquired 10,000 equity shares of face value of ₹ 10 each on March 13, 2024, representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan, and as on date of this Placement Document, MDIPL is our wholly owned subsidiary.

The Matrix Acquisition is consummated at an enterprise value of ₹ 48,932.78 lakhs comprising, equity value of ₹ 33,398.78 lakhs (being the enterprise value less an assumed debt of ₹ 15,534.00 lakhs ("**Net Debt**") which is owed by MDIPL to MCPL), subject to adjustments on account of net debt and net working capital in accordance with the SSA. Net Debt is owed by MDIPL to MCPL on account of a business transfer agreement executed between *inter-alia* MDIPL and MCPL on January 22, 2024, for transfer of MCPL's undertaking relating to the business of manufacture, supply, distribution, sale and / or export of apparels ("**Apparel Business**") to MDIPL. Further, in terms of SSA, MDIPL is also liable to make payment of ₹ 800.00 lakhs to MCPL on account of expenditure made in relation to the Garment Dyeing Factory ("**GDF Amount**") situated in Gurugram, Haryana until the Closing Date specified under the SSA (*i.e., 10th day following the date of EGM I (as defined hereinafter) or such other date as may be determined amongst parties*) ("**Closing Date**"). Following are details of purchase consideration payable by our Company to MCPL for the acquisition of Sale Shares, on the Closing Date under the SSA:

Purchase Consideration	Amount (in ₹ lakhs)
Purchase consideration payable by the Company to MCPL for purchase of Sale Share (*Equity value less Net Debt*) **(A)**	33,398.78[(1)]
- *By way of issue of 27,31,366 equity shares of the Company, by way of a preferential allotment on a private placement basis, at a price of ₹ 906.14 per share*	24,750.00
- *By way of cash payment [(2)]*	8,648.78
Net Debt owed by MDIPL to MCPL **(B)**	15,534.00
Total enterprise value **(C=A**+B)	48,932.78

1. *In terms of SSA, purchase consideration for Sale Shares (constituting ₹ 33,398.78 lakhs, representing equity value of enterprise less Net Debt) is being discharged by the Company by way of: (a) issuance of 27,31,366 Equity Shares of the Company to MCPL on a private placement basis pursuant to resolution approved by board of directors of the Company dated February 1, 2024 and shareholders resolution passed in the extra ordinary general meeting held on February 29, 2024 ("**EGM I**"), at a price of ₹ 906.14 per share for an aggregate value of ₹ 24,750.00 lakhs ("**Preferential Issue**"). Further, 27,31,366 Equity Shares have been allotted by our Company to MCPL on March 13, 2024; and (b) cash payment of ₹ 8,648.78 lakhs by our Company to MCPL from its internal accruals, or through any additional debt arrangements or other permissible mode in accordance with applicable laws, as adjusted on account of net debt and net working capital in accordance with the SSA.*
2. *Subject to pre-closing adjustments, post-closing adjustments and withholding taxes in accordance with the SSA.*

In accordance with terms of SSA, the Company is required to ensure payment of (A) Net Debt constituting ₹ 15,534.00 lakhs to MCPL, directly or through MDIPL and (B) GDF Amount to MCPL by MDIPL (GDF Amount together with Net Debt is referred to as "***Total Debt***"), within 30 (thirty) days or such other extended time period as agreed between the parties to SSA from the Closing Date (*i.e., 10th day following the date of EGM I or such other date as may be determined amongst parties) ("**Net Reference Payment Date**")*. In terms of SSA, our Company will be liable to pay interest rate of (a) 10% per annum on Net Debt if the payment of Total Debt is not made within 30 days of Net Reference Payment Date; and (b) 15% per annum on Net Debt if the payment of Total Debt is delayed beyond 30 days of Net Reference Payment Date.

We intend to utilise ₹ 15,534.00 lakhs from the Net Proceeds to fund the payment of the Net Debt to MCPL, in accordance with terms of SSA. While, our Company has acquired 10,000 equity shares of face value of ₹ 10 each on March 13, 2024, representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan, MDIPL Acquisition is subject to fulfilment of certain conditions subsequent in terms of SSA. For details, see "*Risk Factors -The Net Proceeds from the Issue are proposed to be deployed by our Company for funding the acquisition of Sale Shares of MDIPL from MCPL, by way of repayment of portion of Net Debt owed by MDIPL to MCPL. Inability to realise targeted synergies or other anticipated benefits of MDIPL acquisition may cause an adverse effect on our business, results of operations, financial condition and prospects"* on page 61. Further, any payments on account of GDF Amount or any additional payments if required to be made by Company or MDIPL to MCPL pursuant to any adjustments including post-closing adjustments in terms of the SSA, may be financed from internal accruals, additional equity, debt arrangements or any other mode of finance as may be determined by the Board of Directors of the Company, in accordance with applicable laws. Further, if there is any surplus amount, on account of any post-closing or other adjustments made to consideration paid by Company or MDIPL in relation to the Matrix Acquisition in accordance with SSA, then such amount may be utilised by the Board at its sole discretion in such manner as it may decide based on its funding requirements at the relevant point of time.

4. Augmenting long term cash resources to fund the investments, acquisitions and/or inorganic growth opportunities

We are one of the key readymade garment manufacturers and exporters based in India amongst the key players operating in the Indian readymade garments (Source: CRISIL Report) and are 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 export to more than 50 countries where our customers include prominent international brands, and intend to further expand our business and operations, benefitting from industry tailwinds.

The global textile industry is expected to grow at a CAGR of 2.5 - 3.5% from CY2023 to CY2027 to reach approximately USD 1,780-1,830 billion in CY 2027. 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. Volume wise, the industry is expected to grow from 193 billion tons in CY2023 to 210-220 billion tons in CY2027, registering a CAGR of 2.0 - 3.0%. (*Source: CRISIL Report*). Noting an ever-increasing demand for knitted apparels globally, there may be opportunity in the apparel exports market for exporters in India (*Source: CRISIL Report*), necessitating vertical integration.

Further, similar to the global trend, apparel exports contributed the major portion of the Indian textile trade in fiscal 2023. Apparel sales accounted for 44% of the total Indian textile trade in fiscal 2023, followed by cotton textiles and manmade textiles at 30% and 15% respectively. Going ahead, the apparel exports are expected to grow at a CAGR of 5-7% between fiscal 2024 and 2028, owing to the gradual demand revival in US and EU regions, favourable domestic prices aiding global competitiveness of Indian exporters coupled with low base effect (*Source: CRISIL Report*). Our export business for readymade garments constitutes a significant portion of our business. We are focused to derive benefit of opportunities in apparel exports, and enhance our product portfolio, increase geographical presence, widen customer base, increase production capacity, improve financial and operating performance, and target for deeper market penetration.

In furtherance to our business objectives, we have undertaken inorganic expansion through acquisitions of companies through share purchase agreement or asset purchase agreements and we continue to explore such opportunities where we can collaborate with partners to *inter-alia* enhance our product portfolio, increase geographical presence, widen customer base, increase production capacity, improve financial and operating performance, and for deeper market penetration. For instance, we have completed the following acquisitions in the Fiscal 2024:

Year	**Entities Acquired**	**Acquisition Price**	**Details of Entities Acquired, and their Business**	**Objective of Acquisition**
2024	Amibros S.A (operating under the trade name "Atraco Industrial Enterprise ("Atraco") in Dubai, UAE, and as a branch of Amibros S.A) *<u>Acquisition Details:</u>* 100% shares of Amibros S.A. (and as a consequence acquisition of Atraco) have been acquired by Gokaldas Exports FZCO, Dubai (wholly owned subsidiary of the Company)	USD 38.50 million	Atraco is a manufacturer of apparels, operating out of Dubai, U.A.E. It produces a wide range of products and specializes in the production of casual wear, including shorts, pants, shirts, blouses, t-shirts, and dresses.	The companies or assets acquired have been in a similar line of business and have experience in making a diverse range of apparel products for all seasons. Atraco Logistics LLC is engaged in Logistics Services. The Company expects to garner larger competitive advantage, widen global footprint, widen customer base, and increase its production capacity through aforementioned strategic acquisitions.
	Atraco Logistics Co LLC *<u>Acquisition Details:</u>* 100% shares of Atraco Logistics Co LLC (and as a consequence, its branch) have been acquired by Gokaldas Exports FZCO, Dubai (wholly owned subsidiary of the Company)	USD 1.50 million	Atraco Logistics LLC, is an entity incorporated under the laws of Emirate of Dubai and is engaged in freight and clearing services, cargo loading and unloading, cargo packaging, shipping line agents and general warehousing purposes ("**Logistics Services**")	
	Coral Investments	USD 1.60 million	Ashton Apparel	

Year	Entities Acquired	Acquisition Price	Details of Entities Acquired, and their Business	Objective of Acquisition
	Limited (indirectly acquiring Ashton Apparel PLC) *Acquisition Details:* 100% shares of Coral Investments Limited ("**Coral**") (and as a consequence acquisition of Ashton Apparel Manufacturing PLC, which is a subsidiary of Coral) have been acquired by Nava Apparels L.L.C-FZ, Dubai (wholly owned subsidiary of the Company)		Manufacturing PLC, an entity incorporated under the laws of Ethiopia, is a manufacturer and exporter of men's, women's and children's casual and associated products.	
	Coast Apparel EPZ Limited ("**CAL**")*	USD 6.00 million	CAL, AAL, and MAL are entities incorporated under the laws of Kenya and principal business activity of these entities is to manufacture wide range of apparel and export.	
	Ashton Apparel EPZ Limited ("**AAL**")*	USD 3.4 0million		
	Mombasa Apparel EPZ Limited ("**MAL**")* *Acquisition Details:* All assets of CAL, AAL, and MAL has been acquired by Nava Apparels L.L.C-FZ, Dubai (wholly owned subsidiary of the Company)	USD 4.00 million		

**All rights, interest and obligations under the aforesaid asset purchase agreements have been transferred/ novated to our wholly owned subsidiary Ashton Mombasa Apparel EPZ Limited, Kenya.*

In line with the strategy to grow and strengthen the industry position of the Company and in furtherance to our strategy of inorganic growth, our Company has entered into a share swap agreement with MCPL, MDIPL, Gautam Nair and Rajeev Dhawan ("**SSA**") for acquisition of 10,000 equity shares of face value of ₹ 10 each ("**Sale Shares**") representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan. For details, see "*Use of Proceeds - Details of the Object of the Net Proceeds - Funding the acquisition of Sale Shares of MDIPL from MCPL, by way of repayment of portion of Net Debt owed by MDIPL to MCPL*" on page 92.

We will from time to time undertake potential acquisitions and/or investments in line with our business objectives and intend to seek inorganic opportunities which are synergetic with our existing operations and growth strategies, that we believe will fit well with our expansion plans. The amount of Net Proceeds to be used for acquisitions will be based on our management's decision and may not be the total value or cost of any such acquisitions but is expected to provide us with sufficient financial leverage to pursue such acquisitions. For further details, see "*Risk Factors - We propose to utilize the Net Proceeds to fund the investment, acquisitions and inorganic growth opportunities for which targets have not been identified. Net Proceeds to be utilized towards inorganic growth initiatives may be insufficient for the cost of our proposed inorganic acquisition and the deployment of Net Proceeds towards our inorganic growth initiatives may not take place within the period currently intended, and may be reduced or delayed*" on page 59.

We propose to deploy, to the extent of ₹ 9,855.00 lakhs, towards investments, acquisitions and investments towards inorganic growth. 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 (including mode of such investment) or whether these will be in the nature of asset including plant or machinery or technology acquisitions or joint ventures. Investments, acquisitions and inorganic growth initiatives may be undertaken as cash transactions, or be undertaken as share-based transactions, including share swaps, or by way of convertible debentures, non-convertible debentures or other permitted securities or a combination thereof or any other permitted mode of indebtedness or debt funding as the Board may deems fit. Further, in the event of a shortfall or if required as an aspect of the acquisition model, the Company may conduct the acquisition as a cash transaction including using internal accrual, debt funding or any other permissible mode of fund raising, as the Board may deems fit.

In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à- vis the utilization of Net Proceeds. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

The typical framework and process followed for acquisitions involves identifying the investment opportunities or strategic acquisitions based on the criteria identified by the Company, entering into requisite non-disclosure agreements and conducting diligence of the target. On satisfactory conclusion of the diligence exercise, definitive agreements are entered to acquire the target. As on the date of this Placement Document, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives.

5. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ 13,578.88 lakhs, towards general corporate purposes as approved by our management from time to time, utilisation of which does not exceed 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds from the Issue, the Company shall invest such proceeds in deposits in scheduled commercial banks or in any other investment as permitted under applicable laws. Provided that 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.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 10,000 lakhs. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee, in accordance with applicable law. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter or such other period as may be specified under applicable law and uploaded on the website of our Company at www.gokaldasexports.com. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Object; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Object as stated above. In terms of Regulation 32(7) of the SEBI Listing Regulations, our Company will also disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

Other Confirmations

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 shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/ or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel and members of the Senior Management are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and members of our Senior Management.

Since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) 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.

CAPITALISATION STATEMENT

The following table sets forth our capitalization on a consolidated basis as at December 31, 2023 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 38, 50, 104 and 270, respectively.

(*in ₹ lakhs*)

Particulars[1]	**Amount Pre-Issue as at December 31, 2023**	**Amount As adjusted for the Issue (Refer Note 2)**
Non-current borrowings **(A)**	2,989.22	2,989.22
Current borrowings **(B)**	5,866.17	5,866.17
Total Borrowings (C = A+B)	8,855.39	8,855.39
Equity Share Capital (**D)**	3,032.58	3,419.68
Other equity **(E)**	97,663.39	157,276.29
Total Equity (F = D+E)	1,00,695.97	160,695.97
Ratio		
Non-current borrowings/ Total equity (G = A/F)	0.03	0.02
Total Borrowings/ Total Equity (H = C/F)	0.09	0.06

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 have been adjusted for the number of equity shares issued pursuant to the Issue and the proceeds from the Issue thereon. It only reflects changes in Equity only on account of proceeds from the Issue of 77,41,935 Equity Shares aggregating to ₹ 60,000 lakhs in Equity Share Capital, at an Issue Price of ₹ 775.00 per Equity Share, including securities premium of ₹ 770.00 per equity share aggregating to ₹ 59,612.90 lakhs in Other Equity. The adjustments do not include any adjustment for Issue related expenses and for any other transactions or movement subsequent to December 31, 2023, including 27,31,366 Equity Shares of our Company issued to MCPL on a private placement basis on March 13, 2024.*
3) *Balances in column 'Amount Pre-Issue' as at December 31, 2023 are as per the Unaudited Interim Condensed Consolidated Financial Statements for the nine month period ended December 31, 2023.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this 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**	
	8,50,00,000 Equity Shares of ₹ 5 each^	42,50,00,000.00
B	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**	
	6,33,82,860 Equity Shares of ₹ 5 each	31,69,14,300.00
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	77,41,935 Equity Shares aggregating to ₹ 60,000 lakhs (1) (2)	3,87,09,675.00
D	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE**	
	7,11,24,795 Equity Shares of ₹ 5 each	35,56,23,975.00
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (in ₹ lakhs)	75,687.22
	After the Issue(3)(4)	135,300.12

(1) *The Issue has been authorised by our Board pursuant to their resolution passed on February 1, 2024. The shareholders have authorised and approved the Issue pursuant to special resolution dated February 29, 2024, passed in their extra-ordinary general meeting.*

(2) *Subject to Allotment of Equity Shares pursuant to the Issue.*

(3) *Subject to Allotment of Equity Shares pursuant to the Issue. The amount has been calculated on the basis of gross proceeds from the Issue.*

(4) *The securities premium amount 'after this Issue' has been calculated on the basis of gross proceeds from this Issue. Adjustments does not include Issue related expenses.*

^ *Our Company pursuant to board resolution dated February 1, 2024, and shareholders resolution dated February 29, 2024, has increased its authorised share capital from existing ₹ 32,50,00,000 divided into 6,50,00,000 equity shares of ₹ 5 each to ₹ 42,50,00,000 divided into 8,50,00,000 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	Other than Cash (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
December 14, 2017	3,500	3,49,52,829	5	32.25	Cash
May 03, 2018	77,08,000	4,26,60,829	5	90	Cash
June 25, 2018	47,334	4,27,08,163	5	32.25	Cash
	55,000	4,27,63,163	5	72.55	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
September 5, 2018	12,500	4,27,75,663	5	32.25	Cash
	40,000	4,28,15,663	5	72.55	Cash
July 11, 2019	5,000	4,28,20,663	5	32.25	Cash
January 24, 2020	5,000	4,28,25,663	5	32.25	Cash
September 11, 2020	70,000	4,28,95,663	5	5	Cash
June 30, 2021	92,500	4,29,88,163	5	5	Cash
July 19, 2021	10,000	4,29,98,163	5	5	Cash
July 30, 2021	20,000	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
October 7, 2021	1,54,24,164	5,88,39,827	5	194.50	Cash
November 16, 2021	75,000	5,89,14,827	5	5	Cash
December 3, 2021	42,500	5,89,57,327	5	5	Cash
December 21, 2021	10,000	5,89,67,327	5	5	Cash
January 31, 2022	6,667	5,89,73,994	5	32.25	Cash
March 1, 2022	3,000	5,89,76,994	5	5	Cash
April 18, 2022	11,25,000	6,01,01,994	5	5	Cash
	2,40,000	6,03,41,994	5	85.96	Cash
	1,40,000	6,04,81,994	5	72.55	Cash
April 29, 2022	25,000	6,05,06,994	5	60.95	Cash
August 8, 2022	60,000	6,05,66,994	5	85.96	Cash
	11,000	6,05,77,994	5	5	Cash
Equity share capital history of our Company in last one year preceding this Placement Document					
May 25, 2023	63,500(1)	6,06,41,494	5	5	Cash
August 7, 2023	10,000(2)	6,06,51,494	5	5	Cash
Equity share capital history of our Company in last one year preceding this Placement Document for consideration other than cash					
March 13, 2024	27,31,366(3)	6,33,82,860	5	906.14	Other than Cash (share swap)

(1) 63,500 Equity Shares have been allotted pursuant to exercise of options granted under Gokaldas Exports Employee Restricted Stock Unit Plan 2018 constituting (i) 50,000 Equity Shares to Poorana Seenivasan; (ii) 6,500 Equity Shares to K.A Sivaramakrishnan; (iii) 4,500 Equity Shares to Malathi. P and (iv) 2,500 Equity Shares to Sebastian Jesudas. V.

(2) 10,000 Equity Shares have been allotted pursuant to exercise of options granted under Gokaldas Exports Employee Restricted Stock Unit Plan 2018 to S. Selvamathan.

*(3) Pursuant to resolution passed by board of directors of the Company dated February 1, 2024 and shareholders resolution dated February 29, 2024, 27,31,366 Equity Shares of the Company are issued to MCPL on a private placement basis ("**Preferential Shares**") at a price of ₹ 906.14 per Equity Share constituting non-cash and part consideration of ₹ 247,50.00 lakhs to MCPL, in accordance with the Share Swap Agreement dated February 1, 2024, for acquisition of 10,000 equity shares of MDIPL from MCPL and its nominee shareholder, representing 100% of the equity share capital of MDIPL. For details on acquisition of MDIPL, see "Use of Proceeds" and "Risk Factors - The Net Proceeds from the Issue are proposed to be deployed by our Company for funding the acquisition of Sale Shares of MDIPL from MCPL, by way of repayment of portion of Net Debt owed by MDIPL to MCPL. Inability to realise targeted synergies or other anticipated benefits of MDIPL acquisition may cause an adverse effect on our business, results of operations, financial condition and prospects" sections on pages 89 and 61, respectively.*

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 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 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 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 and outstanding (excluding options exercised)	20,000
4.	Options exercised	12,28,330
5.	Options lapsed or forfeited	2,66,470
6.	Options cancelled	-
7.	Options granted not vested	2,04,000
8.	Total number of options outstanding (including options vested)	2,24,000

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 Placement Document are set forth below:

Sr no	Particulars	Number of Options/Unit
1.	Total number of options	2,133,040
2.	Total number of options granted	2,133,040
3.	Options vested and outstanding (excluding options exercised)	10,000
4.	Options exercised	1,965,000*
5.	Options lapsed or forfeited	158,040
6.	Options cancelled	-
7.	Options granted and not vested	Nil
8.	Total number of options outstanding (including vested options)	10,000

**Includes 50,000 employee stock options which are exercised on April 8, 2024, and are pending allotment*

GEL Employee Stock Option Plan 2022

Our Company has formulated GEL Employee Stock Option Plan 2022 (**"ESOP 2022"**) pursuant to the Board resolution dated March 1, 2022, and special resolution approved by the Shareholders through postal ballot, on April 3, 2022. ESOP 2022 has been further amended pursuant to the Board resolution dated February 1, 2024, and special resolution approved by the Shareholders on February 29, 2024. The purpose of the ESOP 2022 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 ESOP 2022 to attract and retain talent in the organisation. The Company considers ESOP 2022 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 ESOP 2022 as on date of this Placement Document are set forth below:

Sr no	Particulars	Number of Options
1.	Total number of options	45,00,000
2.	Total number of options granted	30,00,000
3.	Options vested and outstanding (excluding options exercised)	NIL
4.	Options exercised	NIL
5.	Options lapsed or forfeited	1,09,500
6.	Options cancelled	NIL
7.	Total number of options outstanding (including vested options)	28,90,500

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 has been included in this Placement Document in the section '*Details of Proposed Allottees*' on page 486.

Pre-Issue and post-Issue shareholding pattern

Sr no	Category	Pre-Issue (As at March 31, 2024)		Post-Issue (for institutional investors)* (As of March 31, 2024 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	0.39	249,391	0.35
	Bodies Corporate	64,55,957	10.19	64,55,957	9.08
	Sub-total	**67,05,348**	**10.58**	**67,05,348**	**9.43**
2.	Foreign promoters	Nil	-	Nil	-
	Sub-total (A)	**67,05,348**	**10.58**	**67,05,348**	**9.43**
B.	**Non - Promoters' holding^^**				
1.	Institutional Investors	3,24,87,777	51.26	4,02,29,712	56.56
2.	Non-Institutional Investors				
	Private Corporate Bodies	65,94,674	10.40	65,94,674	9.27
	Directors and relatives	11,64,174	1.84	11,64,174	1.64
	Indian public	1,52,21,039	24.01	1,52,21,039	21.40
	Others including Non-resident Indians (NRIs)	12,09,848	1.91	12,09,848	1.70
	Sub-total (B)^^	**5,66,77,512**	**89.42**	**6,44,19,447**	**90.57**
	Grand Total (A+B)^^	**6,33,82,860**	**100.00**	**7,11,24,795**	**100.00**

**Note: The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue, and reflects the shareholding of all other categories as of March 31, 2024.*
*** This includes shareholding of the members of the Promoter Group.*

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 February 1, 2024 to the Shareholders for the approval of this Issue.

- Except for employee stock options granted pursuant to ESOS Schemes, there are no outstanding warrants, options, or rights to convert debentures, loans, or other instruments convertible into Equity Shares as on the date of this Placement Document.

- Our Promoters, Directors, Key Managerial Personnel, and members of the Senior Management of our Company do not intend to participate in the 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 declared a final dividend for the Fiscal 2023. Apart from this, the Company has not declared any dividend for the Fiscals 2022 and 2021. Further no interim dividend has been declared by our Company during Fiscal 2024 till date of filing of this 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 84.

The following table details the dividend paid by our Company on the Equity Shares in respect of the Fiscals 2021, 2022, 2023 and from April 1, 2023 until the date of filing of this Placement Document:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	From April 1, 2023 till the date of the filing of this Placement Document
Face value per Equity Share (in ₹)	5.00	5.00	5.00	5.00
Total Dividend (in ₹ Lakhs)	Nil	Nil	606.51*	Nil
Dividend per share (in ₹ Per Equity Share)	Nil	Nil	1	Nil
Rate of dividend (%)	Nil	Nil	20%	Nil
No. of Equity Shares	4,28,95,663	5,89,76,994	6,06,51,494**	6,33,82,860

** Declared in FY 2023, paid in September 2023*
*** The number of equity shares are as on the record date i.e. September 13, 2023, fixed for the purpose of payment of final dividend.*

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 Special Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on page 256.

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 the Preliminary Placement Document and this 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 principles 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 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 2022 are based on the previous year regrouped/reclassified numbers reported in audited financial statements of the Fiscal 2023 and not the numbers reported in the audited financial statements of the Fiscal 2021.

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 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 15 and 50, 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 one of the key readymade garment manufacturers and exporters based in India amongst the key players operating in the Indian readymade garments (*Source: CRISIL Report*), engaged in the business of design, manufacture and sale of a wide range of readymade garments, for all seasons, (outerwear, activewear and fashionwear) for men, women and kids. We cater to the needs of several prominent international fashion brands and retailers. We export to more than 50 countries where our customers include prominent international brands. Our operations enable us to manufacture a wide variety of value-added readymade garments, through our integrated facilities 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 33,610, full time employees as on December 31, 2023.

We have four decades of experience in manufacturing readymade garments, understanding customer-preferences, while prioritizing quality assurance and adhering to the compliance standards of our international customers spanning North America, South America, Europe, Africa, Oceania, and Asia. Our growth is fuelled by our longstanding relationships, with over 38% of our revenue stemming from customers who have partnered with us for more than a decade.

As on December 31, 2023, we operate 23 manufacturing facilities, among these, 20 facilities are situated in Karnataka, while one each are located in Madhya Pradesh, Tamil Nadu, and Andhra Pradesh. Our comprehensive infrastructure and machinery across all facilities encompass sewing, cutting, printing, embroidery, and garment finishing, enabling us to efficiently handle substantial bulk orders and cater to diverse customer needs promptly. In Bangalore, our design, testing, fitting, and quality inspection laboratory play a pivotal role in maintaining the rigorous quality standards demanded by our customers. Accredited by several major customers, our in-house testing laboratory ensures adherence to quality benchmarks. Additionally, our modern printing and laundry unit in Bangalore is outfitted with automated machinery and cutting-edge equipment sourced from Austria, Spain and Japan.

Over the years, we have developed expertise in manufacturing a diverse mix of product categories such as fashion wear, outerwear, bottom wear, and sportswear garments. In Fiscal 2023, our revenue from outerwear experienced a growth of 12.01% compared to Fiscal 2022, whereas the fashionwear segment saw even stronger growth, increasing by 50.52% over the same period.

We predominantly manufacture woven products, with over 97% of our exported goods falling into this category, catering to menswear, womenswear, and children's wear. Global knitwear apparel trade, for HS Codes specified in CRISIL Report, has increased at a CAGR of about 5.5% in value terms between CY2018 and CY2022. Noting an ever-increasing demand for knitted apparels globally, there may be opportunity in the apparel exports market for exporters in India (*Source: CRISIL Report*), necessitating vertical integration. With this in mind, particularly for our knitwear sector, our Company has initiated plans to establish a fabric processing unit in Perundurai, Tamil Nadu. This unit will possess manufacturing capabilities including dyeing, printing, wet-processing, mercerising processes, and fabric production from yarn.

Our Company has directed its focus towards inorganic growth through recent acquisitions. We intend to undertake potential acquisitions and/or investments in line with our business objectives, from time to time, and intend to seek inorganic opportunities which are synergetic with our existing operations and growth strategies, that we believe will fit well with our expansion plans.

Further, in line with the strategy to grow and strengthen the industry position of the Company and in furtherance to our strategy of inorganic growth, our Company has undertaken certain acquisitions in the recent past for details see, "*Our Business – Overview*" on page 192.

We have strong emphasis on design ability. We continually generate fresh designs and samples for our customers, and our adeptness in realizing customer concepts enhances our product range and improves our agility in aligning with prevailing trends. We have cultivated diverse competencies to cater to our customers, encompassing trend forecasting, product engineering, fashion designing, streamlined manufacturing, and innovation. Central to our strategy is the manufacturing of intricate products and designs, fostering synergies that transcend price-based competition. Our enduring partnerships with key customers have fuelled our growth trajectory. Our steady commitment to quality has solidified our position as a trusted vendor for select major international customers, improving our brand value and reputation.

We have been honoured by the Apparel Export Promotion Council, under the Ministry of Textiles, Government of India, for achieving the highest employment levels in both Fiscals 2022 and 2023. Additionally, we have been the recipient of the Karnataka State Export Excellence Award from the Department of Industry and Commerce for the Fiscals 2018, 2019, and 2020 consecutively.

The following tables gives our total revenue and key financial indicators on a consolidated basis for the nine-month period ended December 31, 2023, nine-month period ended December 31, 2022 and for the Fiscals 2023, 2022 and 2021.

(*In ₹ lakhs, unless specified*)

Particulars	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**
Total Income	1,22,293.69	1,80,100.34	2,24,722.93
Revenue from operations	1,21,072.73	1,79,031.57	2,22,219.58
EBITDA	11,369.53	21,618.69	29,580.77

EBITDA Margin	**9.30%**	**12.00%**	**13.20%**
PBT before exceptional items	2,661.80	11,703.13	19,833.93
PAT before exceptional item	2,649.16	11,708.13	16,691.61
PAT Margin	**2.20%**	**6.50%**	**7.40%**
Net Debt to Equity	0.72	0.05	-0.28

Net Debt to Equity: Average net debt/ average equity. Net debt is gross borrowings reduced by cash and cash equivalents. Negative net debt represented net cash.

(*In ₹ lakhs, unless specified*)

Particulars	Nine-month period ended December 31, 2023	Nine-month period ended December 31, 2022
Total Income	1,59,101.65	1,71,710.75
Revenue from operations	1,56,646.60	1,69,918.47
Adjusted EBITDA[1]	20,421.80	21,862.10
Adjusted EBITDA Margin[1]	**12.84%**	**12.73%**
EBITDA	19,408.80	21,862.10
EBITDA Margin	**12.20%**	**12.73%**
PBT before exceptional items	11,605.91	14,757.38
PAT before exceptional item	8,668.91	11,972.35
PAT Margin	**5.45%**	**6.97%**

[1] *EBITDA adjusted with ₹ 1,013 lakhs of one-off expenses (relating to acquisition-related expense of ₹398 lakhs and initial start-up expense in MP-Unit of ₹ 615 lakhs.)*

The following table gives the break-up of our total sale of finished goods on a consolidated basis. More than 92% of the revenue from operations are from sale of finished goods.

(*In ₹ lakhs, unless specified*)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount	% of total	Amount	% of total	Amount	% of total
Sale of finished goods						
A. Exports	94,173.84	82.21%	1,49,112.14	89.36%	1,85,190.38	89.63%
B. Domestic	20,372.42	17.79%	17,753.05	10.64%	21,415.77	10.37%
C. Total (A+B)	**1,14,546.26**	**100.00%**	**1,66,865.19**	**100.00%**	**2,06,606.15**	**100.00%**

(*In ₹ lakhs, unless specified*)

Particulars	Nine-month period ended December 31, 2023		Nine-month period ended December 31, 2022	
	Amount	% of total	Amount	% of total
Sale of finished goods				
A. Exports	1,27,514.91	88.62%	1,41,714.13	89.41%
B. Domestic	16,379.96	11.38%	16,777.24	10.59%
C. Total (A+B)	**1,43,894.87**	**100.00%**	**1,58,491.37**	**100.00%**

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

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 86.86%, 88.11%, 88.30%, 87.53%, and 81.54% of our revenue from operations for the nine-month period ended December 31, 2023, December 31, 2022 and for the Fiscals 2023, 2022 and 2021, 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.

Our business strategies include widening customer base, entering new geographies, shifting to cost-efficient locations, strengthening our relationships with our existing customers. We intend to undertake potential acquisitions and/or investments in line with our business objectives, from time to time, and intend to seek inorganic opportunities which are synergetic with our existing operations and growth strategies, that we believe will fit well with our expansion plans. Many of such 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.

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 88.62%, 89.41% 89.63%, 89.36% and 82.21% of our total sales from exports for the nine-month period ended December 31, 2023, December 31, 2022 and for the Fiscals 2023, 2022 and 2021, 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 Fiscals and for the nine-month period ended December 31, 2023, more than 99.40% of our revenue from exports was contributed by our top ten customers.

The success of our business 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.

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

88.62%, 89.41%, 89.63%, 89.36%, and 82.21% of our total revenues for the nine-month period ended December 31, 2023, December 31, 2022 and for the Fiscals 2023, 2022 and 2021, respectively on a consolidated basis, 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, U.S. Dollar and GBP, 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 56.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 December 31, 2023 we employed 33,610 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 actions 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 also intend to move factories from generalized production centres, manufacturing a variety of products, to specialized centres of excellence, locations providing low-cost of operation, 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.

In the previous year, we have set up a new manufacturing plant, near Bhopal, in Madhya Pradesh. The Company has purchased 10-acre land from the Madhya Pradesh Industrial Development Corporation (MPIDC) in this connection. As at December 31, 2023 we inaugurated phase 1 of our Madhya Pradesh facility, introducing a 1,00,000 sq. ft production area to accommodate 1,220 employees. We started commercial production at the facility in June 2023. The facility has enough capacity expansion potential and eventually can turn out to be a cost-efficient cluster of operations for the company. During the Fiscal 2023, we spent ₹ 38 crore on modernisation and upgrades, and ₹ 97 crore on new capacity and projects. We continue to exercise judicious control over capex spending taking into consideration the market conditions. We are also setting up a manufacturing unit in Tamil Nadu, which is expected to start production in the first half of Fiscal 2025. We intend to diversify and expand our customer base globally. To this end, we have recently completed an acquisition deal with Atraco Group on January 3, 2024, Atraco is one of the leading apparel manufacturers in Dubai, UAE having its manufacturing operations in Kenya and Ethiopia. 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 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 01, 2016. The consolidated financial statements of the Group have been prepared and presented in accordance with Ind AS. Effective April 01, 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 01, 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, 2023. 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.

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.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

d. Revenue recognition

i. Revenue from Contracts with Customers:

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

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

Performance obligations and timing of revenue recognition:

The Group derives its revenue primarily from export of garments and related products, with revenue 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 are 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 asset 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 01, 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 (including claims).

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

Other Income: Our other income primarily comprises of interest income from bank deposits and others, income from investment in mutual funds, 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, (gain) / loss on account of foreign exchange transactions and other expenses.

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

Purchase of Stock-in-Trade: Comprises of purchase of tradable finished goods
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.

(Gain) / loss on account of foreign exchange transactions includes (gain)/loss from the realizable, unrealizable, and reinstatement of foreign receivables and payable.

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

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, unless specified*)

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹ In lakhs)	(% of Total Income)	(₹ in lakhs)	(% of Total Income)	(₹ in lakhs)	(% of Total Income)
(I). Income						
1. Revenue from operations	2,22,219.58	98.89%	1,79,031.57	99.41%	1,21,072.73	99.00%
2. Other income	2,503.35	1.11%	1,068.77	0.59%	1,220.96	1.00%
3. Total Income (1+2)	**2,24,722.93**	**100.00%**	**1,80,100.34**	**100.00%**	**1,22,293.69**	**100.00%**
(II). Expenses						
4. Cost of materials and components consumed	1,05,234.38	46.83%	1,00,269.72	55.67%	56,562.36	46.25%
5. Purchases of stock-in-trade	119.58	0.05%	1,478.89	0.82%	-	0.00%
6. Changes in inventories of finished goods and work-in-progress	12,363.32	5.50%	-12,929.02	-7.18%	3,941.80	3.22%
7. Employee benefits expense	61,931.65	27.56%	53,877.58	29.92%	37,156.38	30.38%
8. Finance costs	2,571.81	1.14%	4,020.74	2.23%	3,446.23	2.82%
9. Depreciation and amortization expense	7,175.03	3.19%	5,894.82	3.27%	5,261.50	4.30%
10. Job work charges	1,186.44	0.53%	2,776.86	1.54%	1,203.70	0.98%

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹ In lakhs)	(% of Total Income)	(₹ in lakhs)	(% of Total Income)	(₹ in lakhs)	(% of Total Income)
11. (Gain)/loss on account of foreign exchange fluctuations (net)	(668.42)	-0.30%	(2,109.40)	-1.17%	155.96	0.13%
12. Other expenses	14,975.21	6.66%	15,117.02	8.39%	11,903.96	9.73%
13. Total Expenses (sum of 4 to 12)	**2,04,889.00**	**91.17%**	1,68,397.21	93.50%	**1,19,631.89**	**97.82%**
14. Profit before exceptional items and tax (3-13)	**19,833.93**	8.83%	**11,703.13**	6.50%	**2,661.80**	2.18%
15. Exceptional item	605.03	**0.27%**	-	0.00%	-	-
16. Profit before tax (14+15)	**20,438.96**	9.10%	**11,703.13**	6.50%	**2,661.80**	2.18%
Tax Expense						
17. Current Tax	4,830.57	2.15%	1,170.15	0.65%	685.90	0.56%
18. Adjustment of tax relating to earlier years	(160.11)	-0.07%	(677.07)	-0.38%	7.64	0.01%
19. Deferred Tax charge/ (credit)	(1,528.14)	-0.68%	(498.08)	-0.28%	(680.90)	-0.56%
20. Total tax expenses ((17+18+19)	**3,142.32**	1.40%	(5.00)	0.00%	12.64	0.01%
21. Net Profit for the year (16-20)	**17,296.64**	**7.70%**	**11,708.13**	**6.50%**	**2,649.16**	**2.17%**

Particulars	Nine-month period ended			
	December 31, 2023		December 31, 2022	
	(₹ in lakhs)	(% of Total Income)	(₹ In lakhs)	(% of Total Income)
(I). Income				
1. Revenue from operations	1,56,646.60	98.46%	1,69,918.47	98.96%
2. Other income	2,455.05	1.54%	1,792.28	1.04%
3. Total Income (1+2)	1,59,101.65	100.00%	1,71,710.75	100.00%
(II). Expenses				
4. Cost of materials and components consumed	72,510.47	45.57%	81,124.74	47.24%
5. Purchases of stock-in-trade	79.67	0.05%	17.96	0.01%
6. Changes in inventories of finished goods and work-in-progress	882.45	0.55%	8,997.19	5.24%
7. Employee benefits expense	53,557.57	33.66%	48,257.51	28.10%
8. Finance costs	1,669.34	1.05%	1,829.23	1.07%
9. Depreciation and amortization expense	6,133.55	3.86%	5,275.49	3.07%
10. Job work charges	486.15	0.31%	979.81	0.57%
11. (Gain)/loss on account of foreign exchange fluctuations (net)	(14.95)	-0.01%	-808.57	-0.47%
12. Other expenses	12,191.49	7.66%	11,280.01	6.57%
13. Total Expenses (sum of 4 to 12)	1,47,495.74	92.71%	1,56,953.37	91.41%
14. Profit before tax (3-13)	**11,605.91**	7.29%	14,757.38	8.59%
15. Exceptional items	-	-	605.03	0.35%

Particulars	Nine-month period ended			
	December 31, 2023		December 31, 2022	
	(₹ in lakhs)	(% of Total Income)	(₹ In lakhs)	(% of Total Income)
16. Profit after exceptional items and before tax (14+15)	**11,605.91**	7.29%	**15,362.41**	8.95%
17. Current Tax	3,673.03	2.31%	3,907.63	2.28%
18. Adjustment of tax relating to earlier years	(27.21)	-0.02%	-	0.00%
19. Deferred Tax charge/ (credit)	(708.82)	-0.45%	(1,122.60)	-0.65%
20. Tax Expense (17+18+19)	2,937.00	1.85%	2,785.03	1.62%
21. Net Profit for the year (16-20)	**8,668.91**	**5.45%**	**12,577.38**	**7.32%**

Our Results of Operations

Fiscal 2023 compared to Fiscal 2022

Total income

Our total income increased by 24.78%, from ₹ 1,80,100.34 lakhs in Fiscal 2022 to ₹ 2,24,722.93 lakhs in Fiscal 2023.

Revenue from Operations

Our revenue from operations in Fiscal 2023 increased by 24.12% as compared to Fiscal 2022. Revenue from export sales has increased by 24.20%, increased from ₹ 149,112.14 lakhs in Fiscal 2022 to ₹ 185,190.38 lakhs in Fiscal 2023 due to strong order book in the first half of the year. Income from export incentives and others has increased from ₹ 8,813.05 lakhs in Fiscal 2022 (i.e. 5.91% of export revenue) to ₹ 11,492.43 lakhs in Fiscal 2023 (i.e. 6.21% of export revenue) primarily due to volume increase and grants from the state-government job work income has increased by 189.02% over the previous year from ₹ 270.59 lakhs in Fiscal 2022 to ₹ 782.05 lakhs in Fiscal 2023 due to increase in value of added services such as printing and laundry services. Sale of accessories, fabrics, scrap and others marginally increased by 8.31% from ₹ 3,082.74 lakhs in Fiscal 2022 to ₹ 3,338.95 lakhs in Fiscal 2023.

Other Income

Other income increased by 134.23% from ₹ 1,068.77 lakhs in Fiscal 2022 to ₹ 2,503.35 lakhs in Fiscal 2023. The increase was primarily from the increase in fair value gain on investments in mutual fund units from ₹ 193.83 lakhs in Fiscal 2022 to ₹ 1,163.55 lakhs in Fiscal 2023 and increase in gain on sale of investments in mutual fund units from ₹ 85.36 lakhs in Fiscal 2022 to ₹ 425.98 lakhs in Fiscal 2023 and increase in provision no longer required written back from ₹ 62.31 lakhs in Fiscal 2022 to ₹ 190.52 lakhs in Fiscal 2023 and increase in miscellaneous income from ₹ 20.80 lakhs in Fiscal 2022 to ₹ 365.60 lakhs in Fiscal 2023, which were partially offset by decrease in interest income on bank deposit from ₹ 453.74 lakhs in Fiscal 2022 to ₹ 112.92 lakhs in Fiscal 2023 and decrease in net gain from disposal of property, plant and equipment from ₹ 60.55 lakhs in Fiscal 2022 to ₹ 19.26 lakhs in Fiscal 2023.

Expenses

Total expenses

Our total expenses were ₹ 2,04,889.00 lakhs in Fiscal 2023, which represented an increase of 21.67% over our total expenses of ₹ 1,68,397.21 lakhs in Fiscal 2022. However, as a percentage of total income, our total expenses decreased from 93.50% in Fiscal 2022 to 91.17% in Fiscal 2023.

Total expense is defined as a sum of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, and work in progress, employee benefits expense, finance costs, depreciation and amortisation expense, job work charges, (Gain)/loss on account of foreign exchange fluctuations (net) and Other expenses.

Cost of materials consumed, Purchases of Stock-in-trade and Changes in Inventories

The cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work in progress and stock-in-trade was ₹ 1,17,717.28 lakhs in Fiscal 2023, which represented an increase of 32.54% over our cost of materials consumed of ₹ 88,819.59 lakhs in Fiscal 2022, which is in consonance to the increase in our revenue from operations. As a percentage of total income, our cost of materials consumed along with purchases of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade increased from 49.32% in Fiscal 2022 to 52.38% in Fiscal 2023. The increase in material consumption was due to changes in the product mix like the increased share of fashion wear in the current year compared to the previous year.

Employee benefits expense

Our employee benefit expense was ₹ 61,931.65 lakhs in Fiscal 2023, which has increased by 14.95% over the previous year of ₹ 53,877.58 lakhs. While in absolute terms, this increase was predominantly due to increase in production capacity, however, as a percentage of total income, the employee benefit expense has decreased from 29.92% in Fiscal 2022 to 27.56% in Fiscal 2023 which reflects better utilization of manpower and improved production efficiency in Fiscal 2023.

Increase in employee benefits expense is primarily due to increase in:

- Salaries and wages by 9.45% from ₹ 46,049.36 lakhs in Fiscal 2022 to ₹ 50,399.84 lakhs in Fiscal 2023 mainly attributed to higher production capacity and partially due to increase in minimum wage revision for the workmen in the State of Karnataka effective mid-January 2023. Contribution to provident and other funds by 17.15% from ₹ 5,045.55 lakhs in Fiscal 2022 to ₹ 5,910.88 lakhs in Fiscal 2023 due to increase in overall manpower;
- Share based payment expenses by 1,591.95 % from ₹ 135.82 lakhs in Fiscal 2022 to ₹ 2,298.00 lakhs in Fiscal 2023 was due to issue of fresh employee stock options to the employees;
- Gratuity expense by 21.19% from ₹ 1,328.86 lakhs in Fiscal 2022 to ₹ 1,610.44 lakhs in Fiscal 2023 mainly due to increased manpower and valuation there on;
- Staff welfare expense by 29.93% from ₹ 1,317.99 lakhs in Fiscal 2022 to ₹ 1,712.49 lakhs in Fiscal 2023 mainly due to more number of people, and employee engagement activities in the manufacturing units.

Finance costs

Our finance costs was ₹ 2,571.81 lakhs in Fiscal 2023, which has significantly decreased by 36.04% compared to the Fiscal 2022 of ₹ 4,020.74 lakhs. This decrease was mainly attributable to the lower utilization of the packing credit loans and efficient utilization of its working capital.

Depreciation and Amortization expense

Our depreciation and amortization expense was ₹ 7,175.03 lakhs in Fiscal 2023, that has increased by 21.72% over the previous year Fiscal of ₹ 5,894.82 lakhs. This was mainly due to increased depreciation on the newly acquired assets.

Job Work Charges

Our job work charges represent some of the processes or some orders during exigencies that are executed at third party location which has decreased by 57.27% (from ₹ 2,776.86 lakhs in Fiscal 2022 to ₹ 1,186.44 lakhs in Fiscal 2023), this happens due to timely execution of orders.

Foreign exchange fluctuations (net)

During Fiscal 2023, there was gain on account of foreign currency fluctuation of ₹ 668.42 lakhs as against a gain of ₹ 2,109.40 lakhs in Fiscal 2022. 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 0.94%, from ₹ 15,117.02 lakhs in Fiscal 2022 to ₹ 14,975.21 lakhs in Fiscal 2023. The decrease was marginal, however, primarily due to a decrease in

- o Clearing, forwarding and freight by 36.30% from ₹ 3,208.06 lakhs in Fiscal 2022 to ₹ 2,043.47 lakhs in Fiscal 2023 due to better negotiation of the transportation rates with the transporters;
- o a decrease in Rental charges by 16.67% from ₹ 1,513.52 lakhs in Fiscal 2022 to ₹ 1,261.22 lakhs in Fiscal 2023;
- o a decrease in Insurance expense by 14.54% from ₹ 526.69 lakhs in Fiscal 2022 to ₹ 450.1 lakhs in Fiscal 2023 due to better negotiation of the premiums with the insurers.

which was offset by *inter alia*:

- an increase in
- o Water, electricity and fuel charges by 18.82% from ₹ 2,601.20 lakhs in Fiscal 2022 to ₹ 3,090.63 lakhs in Fiscal 2023 due to increased charges and operation in the manufacturing facilities;
- o Repairs and maintenance of Plant and machinery, Buildings and Others by 28.52% from ₹ 1,621 lakhs in Fiscal 2022 to ₹ 2,083.27 lakhs in Fiscal 2023. Some of the spare parts were replaced and increased due to regular maintenance services of the machineries for improving the useful life;
- o Consumption of stores and spares and other manufacturing expenses by 8.98% from ₹ 1,907.15 lakhs in Fiscal 2022 to ₹ 2,078.39 lakhs in Fiscal 2023;
- o Legal and professional fees by 14.05% from ₹ 1,129.82 lakhs in Fiscal 2022 to ₹ 1,288.55 lakhs in Fiscal 2023. The increase was mainly due to factory compliance audits, and professional services for certain operating activities;
- o Travelling and conveyance by 26.86% from ₹ 535.61 lakhs in Fiscal 2022 to ₹ 679.47 lakhs in Fiscal 2023;
- o Rates and taxes by 37.60% from ₹ 237.02 lakhs in Fiscal 2022 to ₹ 326.14 lakhs in Fiscal 2023.

However, as a percentage of total income, our other expenses decreased from 8.39% in Fiscal 2022 to 6.66% in Fiscal 2023.

Profit before tax

Our profit before tax was ₹ 20,438.96 lakhs in Fiscal 2023, an increase of 74.65% over our profit before tax of ₹ 11,703.13 lakhs in Fiscal 2022. The increase was due to exceptional items of ₹ 605.03 lakhs in Fiscal 2023 as opposed to nil in Fiscal 2022. The exceptional items were towards profit on sale of an unutilized property at the SEZ, Chennai.

Total Tax Expense

Our total tax expense was ₹ 3,142.32 lakhs in Fiscal 2023, as compared to total tax credit of ₹ 5.00 lakhs in Fiscal 2022. Our tax expense in Fiscal 2023 was increased due to increase in the taxable income, however, there was an adjustment of tax from the previous year.

Profit for the year

As a result of the foregoing reasons, our net profit for the year was ₹ 17,296.64 lakhs in Fiscal 2023, an increase of 47.73% over the net profit of ₹ 11,708.13 lakhs in Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Revenue

Total Income

Our total income increased by 47.27%, from ₹ 1,22,293.69 lakhs in Fiscal 2021 to ₹ 1,80,100.34 lakhs in Fiscal 2022. The year's performance reflects a growing order book and the Company’s ability to weather production and supply chain disruptions. The primary drivers of growth were robust capacity expansion and a rapid ramp-up of production. Further, the revenue growth was in spite of lower revenue in the first quarter of the fiscal severely impacted due to delta wave of COVID-19.

Revenue from Operations

Our revenue from operations increased by 47.87% in Fiscal 2022 as compared to the Fiscal 2021. The increase was primarily due to an increase in strong order book followed by effective utilization of capacity and excellence in execution. Revenue from export sales has increased from ₹ 94,173.84 lakhs in Fiscal 2021 to ₹ 149,112.14 lakhs in Fiscal 2022 which represented an increase of 58.34% due to strong order book and also due to pent-up demand post COVID-19. Income from export incentives and others has increased from ₹ 4,712.8 lakhs in Fiscal 2021 to ₹ 8,813.05 lakhs in Fiscal 2022 which represented an increase of 87.00% mainly attributed to increase in export revenue. Job work income has increased from ₹ 238.97 lakhs in Fiscal 2021 to ₹ 270.59 lakhs in Fiscal 2022 that was an increase of 13.23% mainly from the revenue from value added service units such as printing and laundry operation. Sale of accessories, fabrics, scrap and others, marginally increased by 95.77% from ₹ 1,574.70 lakhs in Fiscal 2021 to ₹ 3,082.74 lakhs in Fiscal 2022.

The Company offers, performance-based discounts and other discounts as per the prevailing trade practices at the time of sale. A sale invoice is the de facto contract agreement with the customers. Any credit notes for discounts issued thereafter are reduced from gross sales, and net sales is shown in the statement of profit and loss.

Other Income

Our other income was ₹ 1,068.77 lakhs in Fiscal 2022, which represented a decrease of 12.46% compared to the income of ₹ 1,220.96 lakhs in Fiscal 2021. This was primarily due to decrease in interest income on fixed deposits by 34.26% from ₹ 690.20 lakhs in Fiscal 2021 to ₹ 453.74 lakhs in Fiscal 2022 and decrease in interest income on security deposits by 28.83% from ₹ 196.22 lakhs in Fiscal 2021 to ₹ 139.64 lakhs in Fiscal 2022 and which was offset by, *inter alia,* increase in the fair value gain on the investment in mutual funds by 49.75% from ₹ 129.44 lakhs in Fiscal 2021 to ₹ 193.83 lakhs in Fiscal 2022 and gain on sale of investments in mutual fund units by 496.09% from ₹ 14.32 lakhs in Fiscal 2021 to ₹ 85.36 lakhs in Fiscal 2022 which was due to surplus cash invested in the form of liquid mutual funds.

Expenses

Total expenses

Our total expenses were ₹ 1,68,397.21 lakhs in Fiscal 2022, which represented an increase of 40.76% over our total expenses of ₹ 1,19,631.89 lakhs in Fiscal 2021. However, as a percentage of total income, our total expenses decreased from 97.82% in Fiscal 2021 to 93.50% in Fiscal 2022 which is marginal despite increase in revenue. Total expense is defined as a sum of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, and work in progress, employee benefits expense, finance costs, depreciation and amortisation expense, job work charges, (gain)/loss on account of foreign exchange fluctuations (net) and other expenses.

Cost of materials consumed, Purchases of Stock-in-trade and Changes in Inventories

The cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work in progress and stock-in-trade was ₹ 88,819.59 lakhs in Fiscal 2022, which represented an increase of 46.80% over our cost of materials consumed of ₹ 60,504.16 lakhs in Fiscal 2021, which was in line with the increase in revenue from operations. As a percentage of revenue from operation, the cost of materials consumed along with purchases of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade has decreased marginally, from 49.97% in Fiscal 2021 to 49.61% in Fiscal 2022.

Employee benefits expense

Our employee benefit expense was ₹ 53,877.58 lakhs in Fiscal 2022, which represented an increase of 45.00% over our employee benefit expense in Fiscal 2021 of ₹ 37,156.38 lakhs. This increase is predominantly due to the increase in employee head count from 23,467 as of March 31, 2021 to 31,483 as of March 31, 2022 which was due to expansion of capacity for the revenue growth. As a percentage of total income, our employee benefit expense decreased from 30.38% in Fiscal 2021 to 29.92% in Fiscal 2022.

Increase in employee benefits expense is primarily due to:

Increase in each element of the employee benefit expense was relating to higher manpower deployed for the increased capacity as necessary for the growth in revenue. The component wise variance are as follows:

- Salaries and wages by 42.67% from ₹ 32,277.23 lakhs in Fiscal 2021 to ₹ 46,049.36 lakhs in Fiscal 2022;
- Contribution to provident and other funds by 61.09% from ₹ 3,132.16 lakhs in Fiscal 2021 to ₹ 5,045.55 lakhs in Fiscal 2022;
- Gratuity expense by 83.80% from ₹ 722.98 lakhs in Fiscal 2021 to ₹ 1,328.86 lakhs in Fiscal 2022;
- Staff welfare expense by 161.66% from ₹ 503.70 lakhs in Fiscal 2021 to ₹ 1,317.99 lakhs in Fiscal 2022, due to increase in staff transportation charges.

Finance costs

Our finance costs in Fiscal 2022 was ₹ 4,020.74 lakhs, which is increased by 16.67% from our finance costs in Fiscal 2021 of ₹ 3,446.23 lakhs. This increase was mainly attributable to interest cost on right of use of assets (Ind AS 116 Lease: impact) to the tune of ₹ 725.03 lakhs, barring which the finance cost has reduced compared to Fiscal 2021.

Depreciation and Amortization expense

Our depreciation and amortization expense in Fiscal 2022 was ₹ 5,894.82 lakhs, which represented an increase of 12.04% over our depreciation and amortization expense in Fiscal 2021 of ₹ 5,261.50 lakhs due to increase in capital expenditure and depreciation charge there on.

Job Work Charges

Our job work charges represent some of the processes or some orders during exigencies are executed at third party location which has increased by 130.69% (from ₹ 1,203.70 lakhs in Fiscal 2021 to ₹ 2,776.86 lakhs in Fiscal 2022), this happens due to timely execution of orders.

Gain on account of foreign exchange fluctuation (net)

During the Fiscal 2022, there was a gain on account of foreign currency fluctuation of ₹ 2,109.40 lakhs as against a loss of ₹ 155.96 lakhs in Fiscal 2021. 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 increased by 26.99%, from ₹ 11,903.96 lakhs in Fiscal 2021 to ₹ 15,117.02 lakhs in Fiscal 2022, primarily since we added three brown field expansion of the capacity. The Company added three new manufacturing units during Fiscal 2022 in Tumkur, Bommanahalli (2 units in Karnataka) and 1 in Krishnagiri, Tamil Nadu. So, overall, there was an increase in the cost of operations.

The other expenses have increased due to the following:

- Water, electricity and fuel charges by 36.43% from ₹ 1,906.57 lakhs in Fiscal 2021 to ₹ 2,601.20 lakhs in Fiscal 2022;
- Clearing, forwarding and freight charges by 94.15% from ₹ 1,652.34 lakhs in Fiscal 2021 to ₹ 3,208.06 lakhs in Fiscal 2022 due to increase in volume of dispatch due to increase in revenue i.e. outbound logistic and supply chain costs;
- Consumption of stores and spares and other manufacturing expenses by 46.39% from ₹ 1,302.77 lakhs in Fiscal 2021 to ₹ 1907.15 lakhs in Fiscal 2022 which are related to increase in revenue;
- Rental charges by 3.73% from ₹ 1,459.05 lakhs in Fiscal 2021 to ₹ 1,513.52 lakhs in Fiscal 2022;
- Legal and professional fees by 51.57% from ₹ 745.41 lakhs in Fiscal 2021 to ₹ 1,129.82 lakhs in Fiscal 2022 due to increase in compliance costs in factory units and other legal, special services where service of experts is required;
- Travelling and conveyance by 46.88% from ₹ 364.65 lakhs in Fiscal 2021 to ₹ 535.61 lakhs in Fiscal 2022;
- Repairs and maintenance of plant and machinery, buildings and others by 52.91% from ₹ 1,060.10 lakhs in Fiscal 2021 to ₹ 1621.00 lakhs in Fiscal 2022.

However, as a percentage of total income, our other expenses decreased from 9.73% in Fiscal 2021 to 8.39% in Fiscal 2022.

Profit before tax

The profit before tax was ₹ 11,703.13 lakhs in Fiscal 2022, an increase of 339.67% over our profit before tax of ₹ 2,661.80 lakhs in Fiscal 2021. The increase mainly attributed to increase in sale of finished goods where export sales in Fiscal 2022 grew by 58.34% over Fiscal 2021, at the same time, the operating expenses including material consumption, both were in line of percentage of revenue from operations.

Total Tax Expense

Our total tax credit in Fiscal 2022 was ₹ 5.00 lakhs, as compared to total tax expense in Fiscal 2021 of ₹ 12.64 lakhs since our Company started recognizing the deferred tax assets since Fiscal 2022. The Company recognized deferred tax credit of ₹ 498.08 lakhs in Fiscal 2022.

Net Profit for the year

As a result of the foregoing, the profit for the year in Fiscal 2022 was ₹ 11,708.13 lakhs, an increase of 341.96% over our profit in Fiscal 2021 of ₹ 2,649.16 lakhs.

Nine-month period ended December 31, 2023, compared to nine-month period ended December 31, 2022

Revenue

Total Income

The total income is decreased by 7.34%, from ₹ 171,710.75 lakhs during the nine-month period ended December 31, 2022 to ₹ 159,101.65 lakhs during the nine-month period ended December 31, 2023. Whereas, our revenue from operations has decreased marginally from 98.96% during the nine-month period ended December 31, 2022 to 98.46% during the nine-month period ended December 31, 2023. The decrease was due to an overall drop in revenue from operations resulting from the lower order placement from the customers.

Revenue from Operations

The revenue from operations during the nine-month period ended December 31, 2023 decreased by 7.81% as compared to nine-month period ended December 31, 2022. The main reasons for the drop as the brands have been optimizing their inventory with lower purchases and have reduced their order placement during the year. This has to be viewed in the backdrop of 14% decline in overall Indian apparel exports during the same period.

Other Income

The other income during the nine-month period ended December 31, 2023 was ₹ 2,455.05 lakhs, which represented a increase of 36.98% from our other income during the nine-month period ended December 31, 2022 of ₹ 1,792.28 lakhs primarily due to increase in income from investment in mutual fund units where the Company parks its surplus cash.

Expenses

Total expenses

The total expenses during nine-month period ended December 31, 2023 were ₹ 1,47,495.74 lakhs, which represented a decrease of 6.03% over our total expenses during nine-month period ended December 31, 2022 of ₹ 1,56,953.37 lakhs. However, as a percentage of total income, our total expenses increased from 91.41% during nine-month period ended December 31, 2022 to 92.71% during nine-month period ended December 31, 2023.

Total expense is defined as a sum of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, and work in progress, employee benefits expense, finance costs, depreciation and amortisation expense, job work charges, (gain)/loss on account of foreign exchange fluctuations (net) and other expenses.

Cost of materials consumed, Purchases of Stock-in-trade and Changes in Inventories

The cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work in progress and stock-in-trade was ₹ 73,472.59 lakhs during nine-month period ended December 31, 2023, which represented a decrease of 18.49% over our cost of materials consumed of ₹ 90,139.89 lakhs during the nine-month period ended December 31, 2022. As a percentage of total income, our cost of materials consumed along with purchases of stock in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade decreased from 52.50% during the nine-month period ended December 31, 2022 to 46.18% during nine-month period ended December 31, 2023. Change in product mix is one of the reasons for the variance in the material consumption.

Employee benefits expense

The employee benefit expense during nine-month period ended December 31, 2023 was ₹ 53,557.57 lakhs, which represented an increase of 10.98% over our employee benefit expense during nine-month period ended December 31, 2022 of ₹ 48,257.51 lakhs. As a percentage of revenue from operations, the employee benefit expense has increased from 28.40% during nine-month period ended December 31, 2022 to 34.19% during nine-month period ended December 31, 2023. This increase is predominantly due to increase in minimum wage revision for the workmen in Karnataka effective mid-January 2023 and effective April 2023, there was an increase in the variable DA for the workmen. Both these factors have resulted in the increase in employee costs. Besides, due to changes in product mix, there higher portion of labour hour utilized in the manufacturing.

Increase in employee benefits expense is primarily due to increase in:

- Salaries and wages by 12.61% from ₹ 39,099.24 lakhs during nine-month period ended December 31, 2022 to ₹ 44,028.31 lakhs during nine-month period ended December 31, 2023 due to the minimum wage revision for workmen in Karnataka in addition to increase in their variable;
- Contribution to provident and other funds by 9.39% from ₹ 4,591.02 lakhs in during nine-month period ended December 31, 2022 to ₹ 5,022.16 lakhs during nine-month period ended December 31, 2023 and the increase goes in line with the increase in salary and wages;
- Share based payment expenses by 5.44% from ₹ 1,785.95 lakhs during nine-month period ended December 31, 2022 to ₹ 1,883.19 lakhs during nine-month period ended December 31, 2023.

which was partially offset by inter alia, decrease in

- Gratuity expense by 6.44% from ₹ 1,432.77 lakhs during nine-month period ended December 31, 2022 to ₹ 1,340.57 lakhs during nine-month period ended December 31, 2023;
- Staff welfare expense by 4.83% from ₹ 1,348.53 lakhs during nine-month period ended December 31, 2022 to ₹ 1,283.34 lakhs during nine-month period ended December 31, 2023.

Finance Costs

The finance costs during nine-month period ended December 31, 2023 was ₹ 1,669.34 lakhs, which is decreased by 8.74% from our finance costs during nine-month period ended December 31, 2022 of ₹ 1,829.23 lakhs. This decrease was mainly attributable due to lower utilization of the working capital loans and efficient utilization of working capital in the Company.

Depreciation and Amortization expense

The depreciation and amortization expense was ₹ 6,133.55 lakhs during nine-month period ended December 31, 2023 which represented an increase of 16.27% over our depreciation and amortization expense of ₹ 5,275.49 lakhs during nine-month period ended December 31, 2022; mainly attributed to increase in the capital expenditure during the last year and current year and depreciation charge thereon.

Job Work Charges

The job work charges represent some of the processes or some orders during exigencies are executed at third party location which has decreased by 50.38% (from ₹ 979.81 lakhs during nine-month period ended December 31, 2022 to ₹ 486.15 lakhs during nine-month period ended December 31, 2023), this happens due to timely execution of orders.

Gain on account of foreign exchange fluctuation (net)

During the nine-month period ended December 31, 2023, there was a gain on account of foreign currency fluctuation of ₹ 14.95 lakhs as against a gain of ₹ 808.57 lakhs during the nine-month period ended December 31, 2022. 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 increased by 8.08%, from ₹ 11,280.01 lakhs during the nine-month period ended December 31, 2022 to ₹ 12,191.49 lakhs during the nine-month period ended December 31, 2023, primarily due to an increase in:

- Water, electricity and fuel charges by 7.19% from ₹ 2,365.81 lakhs during the nine-month period ended December 31, 2022 to ₹ 2,535.89 lakhs during the nine-month period ended December 31, 2023 where there was increase in the electricity tariffs and also water charges;
- Consumption of stores and spares and other manufacturing expenses by 9.77% from ₹ 1,601.68 lakhs during the nine-month period ended December 31, 2022 to ₹ 1,758.20 lakhs during the nine-month period ended December 31, 2023;
- Rental charges by 6.85% from ₹ 919.53 lakhs during the nine-month period ended December 31, 2022 to ₹ 982.56 lakhs during the nine-month period ended December 31, 2023;
- Legal and professional fees by 69.83% from ₹ 897.13 lakhs during the nine-month period ended December 31, 2022 to ₹ 1,523.64 lakhs during the nine-month period ended December 31, 2023;
- Travelling and conveyance by 30.93% from ₹ 466.18 lakhs during the nine-month period ended December 31, 2022 to ₹ 610.37 lakhs during the nine-month period ended December 31, 2023;

which was partially offset by inter alia, a decrease in

- Clearing, forwarding and freight by 35.31% from ₹ 1,642.81 lakhs during the nine-month period ended December 31, 2022 to ₹ 1,062.77 lakhs during the nine-month period ended December 31, 2023 due to better negotiation as well as optimum utilization of vehicles;
- Rates and taxes by 20.70% from ₹ 214.70 lakhs during the nine-month period ended December 31, 2022 to ₹ 170.25 lakhs during the nine-month period ended December 31, 2023;

Overall, as a percentage of revenue from operations, the other expenses increased from 7.22% during the nine-month period ended December 31, 2022 to 8.09% during the nine-month period ended December 31, 2023 which was attributed to increase in the salary and wage expenses during the period.

Profit before tax

The profit before tax during the nine-month period ended December 31, 2023 was ₹ 11,605.91 lakhs, a decrease of 24.45% over our profit before tax during the nine-month period ended December 31, 2022 of ₹ 15,362.41 lakhs. The decrease was due to a drop in the revenue and increase in the minimum wage revision for the workmen in Karnataka and certain one off expenses incurred during the period that are acquisition related expenses of ₹ 398 lakhs (approx.) and initial start-up expenses in our Madhya Pradesh unit to the extent of ₹ 615 lakhs where the unit is yet to reach its full production capacity that caused increased capacity costs.

Total Tax Expense

Our total tax credit was ₹ 2,937.00 lakhs during the nine-month period ended December 31, 2023, as compared to total tax expense of ₹ 2,785.03 lakhs during the nine-month period ended December 31, 2022, the increased tax incidence was due to higher deferred tax credit which was available for Fiscal 2022.

Profit for the year

As a result of the foregoing, the profit during the nine-month period ended December 31, 2023 was ₹ 8,668.91 lakhs, that was a decrease by 31.08% over the same period of the previous year of ₹ 12,577.38 lakhs (includes the one-time income of ₹ 605.03 lakhs relating to profit on sale of a property in SEZ Chennai).

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	Fiscal 2023	Fiscal 2022	Fiscal 2021
1	Net cash from Operating Activities (A)	36,882.30	11,719.76	11,870.84
2	Net cash used in Investing Activities (B)	(29,135.12)	(5,229.22)	(3,222.19)
3	Net cash used in financing activities (C)	(7,543.21)	(4,301.68)	(8,623.23)
	Net increase in cash and cash equivalents (A+B+C)	**203.97**	**2,188.86**	**25.42**

(Amount ₹ in lakhs)

Sr. no.	Particulars	Nine-month period ended December 31,	
		2023	2022
1	Net cash from Operating Activities (A)	11,838.85	31,168.48
2	Net cash used in Investing Activities (B)	(270.17)	(23,961.68)
3	Net cash used in financing activities (C)	532.70	(7,373.65)
	Net increase in cash and cash equivalents (A+B+C)	**12,101.38**	**(166.85)**

Net cash from Operating Activities

Net cash from operating activities includes cash generated from our operations and net cash inflows or outflows from changes in operating assets and liabilities.

Net cash flows from operating activities for the nine-month period ended December 31, 2023 consisted of profit before exceptional items and tax of ₹ 11,605.91 lakhs as adjusted upwards primarily for depreciation and amortization expenses of ₹ 6,133.55 lakhs, share based payments of ₹ 1,883.19 lakhs, finance expense of ₹ 1,669.34 lakhs, and provision for doubtful debts of ₹ 272.31 lakhs which were adjusted downwards for profit on sale of assets (net) of ₹ 36.45 lakhs, foreign exchange gain, net realized of ₹ 1.20 lakhs, gain on sale of investments in mutual fund units of ₹ 2,224.93 lakhs, income from government grants of ₹ 812.29 lakhs, and income from interest on deposits of ₹ 191.39 lakhs.

As a result, our operating profit before working capital changes was ₹ 18,298.04 lakhs for the nine-month period ended December 31, 2023, which was further adjusted for changes in working capital which were primarily on account of increase in financial assets of ₹ 64.24 lakhs, increase in other assets of ₹ 1,662.12 lakhs which was majorly on account of amount held up in export incentive receivables and GST, decrease in inventories of ₹ 1,720.60 lakhs, increase in trade receivables of ₹ 8,168.58 lakhs, and in respect of current liabilities, there was increase in provision for employee benefits of ₹ 1,221.36 lakhs, increase in trade payables of ₹ 3,301.88 lakhs, decrease in the other financial liabilities majorly attributed to employee related payables of ₹ 609.35 lakhs, increase in other liabilities such as statutory liabilities payable and advances from customers etc. of ₹ 382.57 lakhs and direct tax paid net of refund and payments was of ₹ 2,581.31 lakhs. As a result, net cash flow from operating activities was ₹11,838.85 lakhs for the nine-month period ended December 31, 2023.

Net cash flows from operating activities for Fiscal 2023 consisted majorly of profit before exceptional items and tax of ₹ 19,833.93 lakhs as adjusted upwards primarily for depreciation and amortization expenses of ₹ 7,175.03 lakhs, share based payments of ₹ 2,298.00 lakhs, foreign exchange loss of ₹ 51.97 lakhs, and interest expense of ₹ 2,571.81 lakhs, which were adjusted downwards for profit on sale of assets (net) of ₹ 19.26 lakhs, gain on sale of investments in mutual fund units of ₹ 1,589.53 lakhs, income from government grants of ₹ 173.83 lakhs, excess provision of earlier years written back of ₹ 190.52 lakhs and income from interest on deposits of ₹ 338.44 lakhs. As a result, our operating profit before working capital changes was ₹ 29,646.86 lakhs for Fiscal 2022, which was further adjusted for changes in working capital which were primarily on account of increase in financial assets of ₹ 119.80 lakhs, increase in trade receivables of ₹ 4,646.66 lakhs, decrease in other assets of ₹ 4,340.99 lakhs which was majorly on account of release of amount held up in export incentive receivables, decrease in inventories of ₹ 14,062.78 lakhs, and in respect of current liabilities, there was increase in provision for employee benefits of ₹ 1,560.54 lakhs, decrease in trade payables of ₹ 3383.19 lakhs, decrease in the other financial liabilities majorly attributed to employee related payables ₹ 700.18 lakhs, decrease in other liabilities such of statutory liabilities payable and advances from customers etc. of ₹ 32.46 lakhs and direct tax paid net of refund and payments was of ₹ 3,846.58 lakhs. As a result, net cash flow from operating activities was ₹36,882.30 lakhs for Fiscal 2023.

Net cash flows from operating activities for Fiscal 2022 consisted of profit before exceptional items and tax of ₹ 11,703.13 lakhs as adjusted upwards primarily for depreciation and amortization expenses of ₹ 5,894.82 lakhs, share based payments of ₹ 135.82 lakhs, provision for doubtful debts of ₹ 8.07 lakhs, irrecoverable balances written off of ₹ 272.72 lakhs, foreign exchange loss (gain), net realized of ₹ 102.11 lakhs, and interest expense of ₹ 4,020.74 lakhs, which were adjusted downwards for profit on sale of assets (net) of ₹ 60.55 lakhs, gain on sale of investments in mutual fund units of ₹ 279.19 lakhs, income from government grant of ₹ 687.27 lakhs and income from interest on deposits of ₹ 645.92 lakhs. As a result, our operating profit before working capital changes was ₹ 20,562.69 lakhs for Fiscal 2022, which was further adjusted for changes in working capital which were primarily on account of increase in financial assets of ₹ 1,058.50 lakhs, increase in other assets of ₹ 6,493.65 lakhs which was majorly on account of amount held up in export incentive receivables, increase in inventories of ₹ 17,441.98 lakhs, decrease in trade receivables of ₹ 8,767.83 lakhs, and in respect of current liabilities, there was increase in provision for employee benefits of ₹ 1,391.67 lakhs, increase in trade payables of ₹ 2,843.13 lakhs, increase in the other financial liabilities majorly attributed to employee related payables ₹ 4,199.36 lakhs, increase in other liabilities such of statutory liabilities payable and advances from customers etc. of ₹ 292.43 lakhs and direct tax paid net of refund and payments was of ₹ 1,343.22 lakhs. As a result, net cash flow from operating activities was ₹11,719.76 lakhs for Fiscal 2022.

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 used in Investing Activities

The net cash utilised from investing activities for the nine-month period ended December 31, 2023 was ₹ 270.17 lakhs, reflecting payments for purchase of property, plant and equipment of ₹ 10,776.37 lakhs, proceeds from sale of property, plant and equipment of ₹ 102.35 lakhs, investments in bank deposits of ₹ 8,463.04 lakhs, proceeds from redemption of bank deposits of ₹ 2,117.49 lakhs, investment made in mutual funds of ₹ 15,800.00 lakhs, proceeds from sale of investment in mutual funds of ₹ 32,366.52 lakhs and interest income of ₹ 182.88 lakhs.

The net cash used in investing activities for Fiscal 2023 was ₹ 29,135.12 lakhs, reflecting payments for purchase of property, plant and equipment of ₹ 13,542.44 lakhs, proceeds from sale of property, plant and equipment of ₹ 898.49 lakhs, investments in bank deposits of ₹ 5,528.27 lakhs, proceeds from redemption of bank deposits of ₹ 6,098.63 lakhs, investment in mutual funds of ₹ 36,500.00 lakhs, proceeds from sale of investment in mutual funds of ₹ 19,135.84 lakhs and interest income ₹ 302.63 lakhs.

The net cash used in investing activities for Fiscal 2022 was ₹ 5,229.22 lakhs, reflecting payments for purchase of property, plant and equipment of ₹ 7,981.09 lakhs, proceeds from sale of property, plant and equipment of ₹ 159.20 lakhs, investments in bank deposits of ₹ 14,989.14 lakhs, proceeds from redemption of bank deposits of ₹ 28,184.41 lakhs, investment in mutual funds of ₹ 27,000.00 lakhs, proceeds from sale of investment in mutual funds of ₹ 15,514.71 lakhs and interest income of ₹ 882.69 lakhs.

The net cash used in investing activities for Fiscal 2021 was ₹ 3,222.19 lakhs, reflecting payments for purchase of property, plant and equipment of ₹ 3,622.12 lakhs, proceeds from sale of property, plant and equipment of ₹

214.25 lakhs, investments in bank deposits of ₹ 14,703.28 lakhs, proceeds from redemption of bank deposits of ₹ 13,911.01 lakhs, investment in mutual funds of ₹ 1,599.92 lakhs, proceeds from sale of investment in mutual funds ₹ 1,614.24 lakhs and interest income ₹ 963.63 lakhs.

Net cash used in Financing Activities

Our net cash generated from the financing activities for the nine-month period ended December 31, 2023 was ₹ 532.70 lakhs, reflecting proceeds from issue of shares / exercise of share options of ₹ 3.68 lakhs, proceeds of borrowings (other than related parties) of ₹ 46,786.66 lakhs, repayment of borrowings (other than related parties) of ₹ 41,476.34 lakhs, payment of lease liabilities of ₹ 3,491.72 lakhs, dividend paid of ₹ 606.51 lakhs and finance costs incurred of ₹ 683.07 lakhs.

Our net cash used in financing activities for Fiscal 2023 was ₹ 7,543.21 lakhs, reflecting proceeds from issue of shares / exercise of share options of ₹ 431.49 lakhs, proceeds of borrowings (other than related parties) of ₹ 41,478.81 lakhs, repayment of borrowings (other than related parties) of ₹ 44,261.00 lakhs, payment of lease liabilities of ₹ 4,208.62 lakhs and finance costs of ₹ 983.89 lakhs.

Our net cash used in financing activities for Fiscal 2022 was ₹ 4,301.68 lakhs, reflecting proceeds from issue of shares / exercise of share options of ₹ 29,258.35 lakhs, proceeds of borrowings (other than related parties) of ₹ 2,11,418.05 lakhs, repayment of borrowings (other than related parties) of ₹ 2,39,131.77 lakhs, payment of lease liabilities of ₹ 3,335.12 lakhs and finance costs of ₹ 2,511.19 lakhs.

Our net cash used in financing activities for Fiscal 2021 was ₹ 8,623.23 lakhs, reflecting proceeds from issue of shares / exercise of share options of ₹ 3.50 lakhs, proceeds of borrowings (other than related parties) of ₹ 1,68,326.26 lakhs, repayment of borrowings (other than related parties) of ₹ 1,71,088.69 lakhs, payment of lease liabilities of ₹ 3,008.25 lakhs and finance costs of ₹ 2,856.05 lakhs.

Borrowings

Our total borrowings (aggregate of long-term borrowings, and short-term borrowings) was ₹ 3,545.07 lakhs, ₹ 6,306.94 lakhs and ₹ 33,879.53 lakhs as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively on a consolidated basis. The details of our borrowings on a consolidated basis are set forth below:

(Amount in ₹ lakhs)

Particulars	As at March 31,		
	2023	2022	2021
A. Long term borrowings	964.31	238.06	1,884.27
B. Short term borrowings (includes current maturities of long-term borrowings)	2,580.76	6,068.88	34,637.43
C. Total (A+B)	**3,545.07**	**6,306.94**	**36,521.70**

Particulars	As at December 31, 2023	As at December 31, 2022
A. Long term borrowings	2,989.22	717.89
B. Short term borrowings (includes current maturities of long-term borrowings)	5,866.17	1,560.00
C. Total (A+B)	**8,855.39**	2,277.89

Capital and Other Commitments

As of December 31, 2023, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹ 979.23 lakhs.

The following table sets forth a summary of Capital and other commitments for the nine-month period ended December 31, 2023 and Fiscals 2023, 2022 and 2021:

(In ₹ lakhs)

Sr. No	Capital and Other Commitments	Nine-month period ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
A.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	979.23	1,848.98	93.46	937.39
B.	Commitments relating to forward contracts – hedge of highly probable forecast sales	1,43,828.93	1,43,037.06	1,44,555.43	80,141.46

Interest Coverage Ratio

Our interest coverage ratio for the nine-month period ended December 31, 2023 and for the Fiscals 2023, 2022 and 2021 was 7.95, 8.71, 3.91 and 1.77, respectively.

Capital Expenditure

For the nine-month period ended December 31, 2023, we made additions to property, plant and equipment, capital work in progress, and intangible assets of ₹ 12,940.05 lakhs on a consolidated basis. This addition is primarily in plant and machinery, buildings, leasehold improvements and electrical equipments for our manufacturing facilities at our factory, at the manufacturing unit at Madhya Pradesh, and towards project capital expenditure at our fabric processing unit in Perundurai, Tamil Nadu.

For Fiscal 2023, we made additions to property, plant and equipment, capital work in progress, and intangible assets of ₹ 14,681.04 lakhs on a consolidated basis. This addition is primarily in plant and machinery, land, leasehold improvements, office equipments, furniture and fixtures and computers for our manufacturing facilities at our factory. Investment in plant and machinery was to the tune of ₹ 2,753.36 lakhs.

For Fiscal 2022, we made additions to property, plant and equipment capital work in progress, and intangible assets of ₹ 7,441.24 lakhs on a consolidated basis. This addition is primarily in leasehold improvements, plant & machinery, office equipment and furniture and fixtures for our manufacturing facilities at various locations. Investment in plant and machinery accounts for ₹ 4,757.01 lakhs.

For Fiscal 2021, we made additions to property, plant and equipment and intangible assets of ₹ 2,693.38 lakhs on a consolidated basis. This addition is primarily in leasehold improvements, plant & machinery and office equipment for our manufacturing facilities at various locations. Investment in plant and machinery accounts for ₹ 1,131.61 lakhs.

Off-Balance Sheet Arrangements

We do not have any 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.

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 manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales. The Group's exposure to foreign currency changes from investing activities is not material. The foreign currency risk is hedged by using foreign currency forward contracts.

Credit Risk

We are exposed to credit risk on amounts owed to us by our customers, which is unsecured in nature. If they do not pay us promptly, or not at all pay, it may impact our working capital cycle, and/or we may have to make provisions for or write off on such amounts.

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 ₹ 53,316.70 lakhs and ₹ 31,659.70 lakhs, as at March 31, 2023 and March 31, 2022 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 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.

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 counterparty, market standing and duration and history of the business of the counterparty 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.

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.

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 Fiscals, see "*Related Party Transactions*" on page 49.

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 nine months ended December 31, 2023 and for Fiscals 2023, 2022 and 2021. For details on accounting policies, please see "*Financial Information*" on page 270.

Recent Developments

Unaudited Condensed Consolidated Interim Financial Statements for the period ended December 31, 2023 and for all period up to and including the year ended March 31, 2023, have been prepared in accordance with the notification issued by the Ministry of Corporate Affairs. We have adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 01, 2016.

Material developments after December 31, 2023 that may affect our future results of operations

Except as disclosed in this Placement Document and disclosed in Unaudited Condensed Consolidated Interim Financial Statements, no circumstances have arisen since December 31, 2023, which may affect our future financial conditions and results of operations.

Subsequent to December 31, 2023, our Company has completed certain acquisitions *inter-alia* acquisition of Amibros S.A (operating under the trade name "Atraco Industrial Enterprise), Atraco Logistics Co LLC, Coral Investments Limited (*including its subsidiary, Ashton Apparel Manufacturing PLC*), acquisition of Coast Apparel EPZ Limited, Ashton Apparel EPZ Limited, Mombasa Apparel EPZ Limited pursuant to asset purchase agreements, and MDIPL. For further details, see "*Our Business*", "*Use of Proceeds*" and "*Risk Factors*" on pages 192, 89, and 50.

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this 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 remarks.

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 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 2019		
Emphasis of Matter		
Qualification / Emphasis of Matter/ Other matters	**Impact on the financial statements and financial**	**Corrective Steps taken and/or proposed to be taken by the Company**

		position of the Company	
(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 Rs. 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 had filed a claim with the relevant authorities for the afore said receivable. In this regard the group has made an expected credit loss provision of Rs. 133 lakhs on these receivables. Subsequent to the reorganization plan filed by the customer, the group has made further dispatch of goods to the Customer based on the updated purchase orders.	Had the Company made 100% provision the profit after tax for the year and trade receivables would have been lower by ₹ 308 lakhs.	The Company has been pursuing the matter legally. However, on prudent basis, the company has made adequate provision in the subsequent years.
	The group has postponed recognition of revenue of Rs. 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 key audit matter.	Nil	
(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 statements. During the year ended March 31, 2028 the group had acquired compulsorily convertible preference shares in the 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 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 significant of the above matter, we have considered this as a key audit matter.		This is a statement of fact. This has been reported as per the guidance note on audit of consolidated financial statements.

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) Allowance for Doubtful Debts: Refer Note 48 to the Consolidated Financial Statements Certain foreign customers with an aggregate outstanding balance of Rs. 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 Rs. 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 Rs. 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	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) 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.

	unrealised as at date of such filing i.e. Rs. 250 Lakhs. Based on the expected recovery the Holding Company has created a provision on account of expected loss amounting to Rs. 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. (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. 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 opinion 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		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.

made to the financial statements. Due to the significance of the above matter, we have considered this as a key audit matter.		
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	1) In view of the subsequent notification of GOI in the month of July 2021, there is no impact.	1) No corrective actions are required.

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.	2) According to the management analysis, no material Impact.	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.

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 2022		
Other Matters		
(a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 5,228.49 lakhs as at March 31, 2022, total revenues of ₹ 387.57 lakhs and net cash flows amounting to ₹ (17.70) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.	Nil	This is a statement of fact. 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.
(b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ Nil as at March 31, 2022, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the period from January 10, 2022 (date of incorporation) to March 31, 2022, respectively, as	Nil	This is a statement of fact. This has been reported as per the guidance note on audit of consolidated financial statements. This is a factual

considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.		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 2023		
Other Matters		
We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 16,433.86 Lakhs as at March 31, 2023, total revenues of ₹ 323.36 Lakhs and net cash flows amounting to ₹ 116 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. One of the aforementioned subsidiaries is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by another auditor. 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.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Assessment of Textiles Industry" dated April 2024" ("**CRISIL Report**") prepared and issued by CRISIL Market Intelligence & Analytics (a division of CRISIL Limited), appointed by us, and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Issue. A copy of the CRISIL Report is available on the website of our Company at www.gokaldasexports.com. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Industry and Market Data" on page 14. CRISIL is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management, our Promoters or the BRLM. For details regarding the disclaimers issued by CRISIL in respect of the CRISIL Report, see "Industry and Market Data" on page 14. Further, see "Risk Factors - This Placement Document contains information from CRISIL Report which has been exclusively commissioned and paid for by our Company solely for the purposes of the of confirming our understanding of the industry exclusively in connection with the Issue and reliance on such information for making an investment decision in the Issue is subject to certain inherent risks." on page 72.*

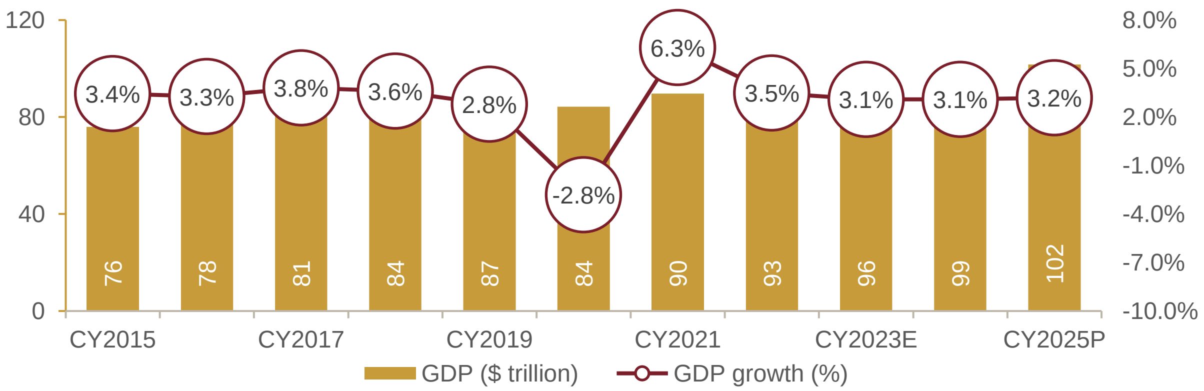
1. Global macroeconomic assessment

Global GDP is estimated to grow at 3.1% in 2024 and 3.2% in 2025 amid moderating inflation and steady growth in key economies

As per the International Monetary Fund's (IMF) January 2024 update, global gross domestic product (GDP) growth is estimated at 3.1% in CY2023 and is projected to remain at 3.1% in CY2024 and 3.2% in CY2025. The latest estimate is 0.2 percentage points higher for CY2024 compared with IMF's previous forecast in October 2023, mainly due to greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. Advanced economies are expected to see growth decline slightly in CY2024 before rising in CY2025, with a recovery in the euro area from low growth in CY2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through CY2024 and CY2025, with regional differences.

Global headline inflation is expected to fall from an estimated 6.8% in CY2023 (annual average) to 5.8% in CY2024 and 4.4% in CY2025. With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. Amid favourable global supply developments, inflation has been falling faster than expected. On the upside, faster disinflation could lead to further easing of financial conditions. On the downside, new commodity price spikes from geopolitical shocks and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions.

Global GDP trend and outlook (2015-2025P, $ trillion)



Note: E: Estimated, P: Projection
Source: IMF economic database, CRISIL MI&A

India among the world's fastest-growing large economies

India was one of the fastest-growing economies in CY2018 and CY2019. In CY2020, GDP of most countries, including developed ones such as the US and the UK, except China, contracted due to the pandemic. India's GDP shrank 5.8% in CY2020 (fiscal 2021). In CY 2021, GDP growth of all major economies rebounded as economic activity resumed and due to the low base of CY2020. Among major economies, India, with a growth rate of ~9.1%, was the fastest growing in CY2021 (fiscal 2022), followed by China at 8.4%. The country also overtook the UK as the fifth-largest economy in the world in the April-June quarter of CY2022 and registered a GDP growth of 7.2% in CY2020 (FY23). Moving forward, India's GDP is projected to grow at ~6.7% and 6.5% in CY2023 (fiscal 2024) and CY2024 (fiscal 2025) respectively. Additionally, India is expected to grow faster than China as well as the global average in CY2024 (fiscal 2025).

Real GDP growth by geographies

Regions	CY2018	CY2019	CY2020	CY2021	CY2022E	CY2023E	CY2024P	CY2025P
US	2.9	2.3	-2.8	5.9	1.9	2.5	2.1	1.7
Euro area	1.8	1.6	-6.1	5.6	3.4	0.5	0.9	1.7
UK	1.7	1.6	-11.0	7.6	4.3	0.5	0.6	1.6
China	6.8	6.0	2.2	8.4	3.0	5.2	4.6	4.1
India*	6.5	3.9	-5.8	9.1	7.2	6.7	6.5	6.5
Advanced economies	2.3	1.7	-4.2	5.6	2.6	1.6	1.5	1.8
Emerging market and developing economies	4.6	3.6	-1.8	6.9	4.1	4.1	4.1	4.2
World	**3.6**	**2.8**	**-2.8**	**6.3**	**3.5**	**3.1**	**3.1**	**3.2**

Note: E:Estimated, P: Projection as per IMF update

** Numbers for India are for financial year (2020 is fiscal 2021 and so on) and as per the IMF's October 2023 World Economic outlook. CRISIL's GDP forecast for India: 6.8% in fiscal 2025, As per second advanced estimates of National Income from MOSPI, India GDP growth: 9.8% in fiscal 2022, 7.0% in fiscal 2023 and 7.6% in fiscal 2024*

Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

India's per capita GDP has been growing faster than the global average

Global GDP per capita clocked a CAGR of 3.1% between 2018 and 2023, as per the International Monetary Fund (IMF) data. Meanwhile, India's corresponding figure registered a CAGR of 5.8% between CY2018 (fiscal 2019) and CY2023 (fiscal 2024).

GDP per capita, current prices (U.S. dollars)

Regions	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023E	CY2024P	CY2025P	CAGR (CY2018-23E)
Canada	46,626	46,450	43,384	52,388	55,037	53,247	55,528	57,899	2.7%
China	9,849	10,170	10,525	12,572	12,670	12,541	13,156	14,031	5.0%
Euro area	39,865	39,001	37,915	42,404	40,819	44,566	46,926	49,067	2.3%
India	**1,974**	**2,050**	**1,913**	**2,238**	**2,392**	**2,612**	**2,848**	**3,102**	**5.8%**
Japan	39,850	40,548	40,133	39,933	33,854	33,950	34,555	36,657	-3.2%
United Kingdom	43,378	42,797	40,347	46,422	45,461	48,913	52,426	55,732	2.4%

US	62,788	65,077	63,577	70,160	76,343	80,412	83,063	85,877	5.1%
Advanced economies	48,077	48,350	47,220	52,474	53,129	55,921	58,172	60,674	3.1%
Emerging market and developing economies	5,364	5,415	5,152	5,972	6,357	6,455	6,772	7,130	3.8%
World	11,457	11,500	11,077	12,468	12,895	13,333	13,872	14,477	3.1%

Source: IMF, CRISIL MI&A

Global trade was relatively flat in CY2023, likely to log moderate growth in CY2024

Weak demand in developed countries, fall in commodity prices and slow GDP growth in some developing nations, especially in East Asian economies, affected global trade in CY2023. However, the services sector trade grew in the first half of CY2023 as recovery from the pandemic took effect with a lag. Tensions between the US and China have led to modest realignment of trade and financial flows, keeping trade growth largely rangebound.

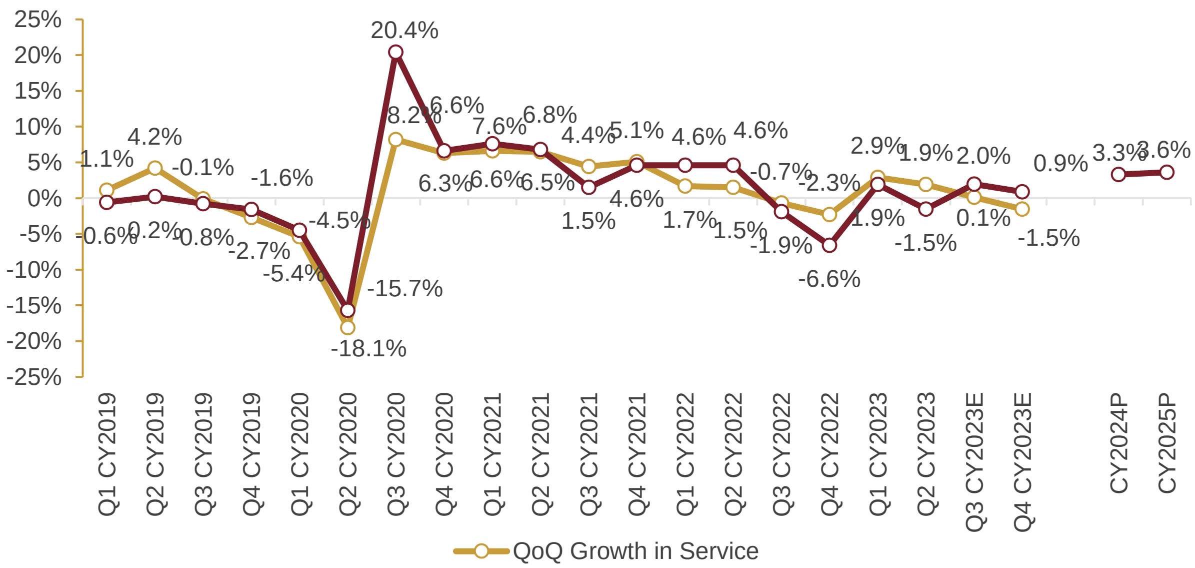
Outlook for global trade in the current calendar is marked by uncertainty, though support is expected from demand for services, especially in the information and communication technology and travel and tourism sectors. Recovery in consumer demand and increased trade of green goods on account of transition towards a greener global economy would also boost overall global trade in CY2024.

On the flip side, continuing geopolitical tensions; high interest rates, corporate and government debt and commodity prices; inflationary pressures; and widespread economic fragility would potentially affect trade patterns.

The World Trade Organization expects goods trade to grow in CY2024, with Asia being the fastest-growing region and world merchandise (goods) volume growing 3.3% (vs 0.8% in CY2023).

Overall, the world trade growth is projected at 3.3% in CY2024 and 3.6% in CY2025, below its historical average growth rate of 4.9%. Rising trade distortions such as Red Sea crisis and resulting high shipping cost and longer trade routes and geoeconomic fragmentation are expected to continue to weigh on the level of global trade.

Global quarterly trade of goods and services



E: estimated; P: projected

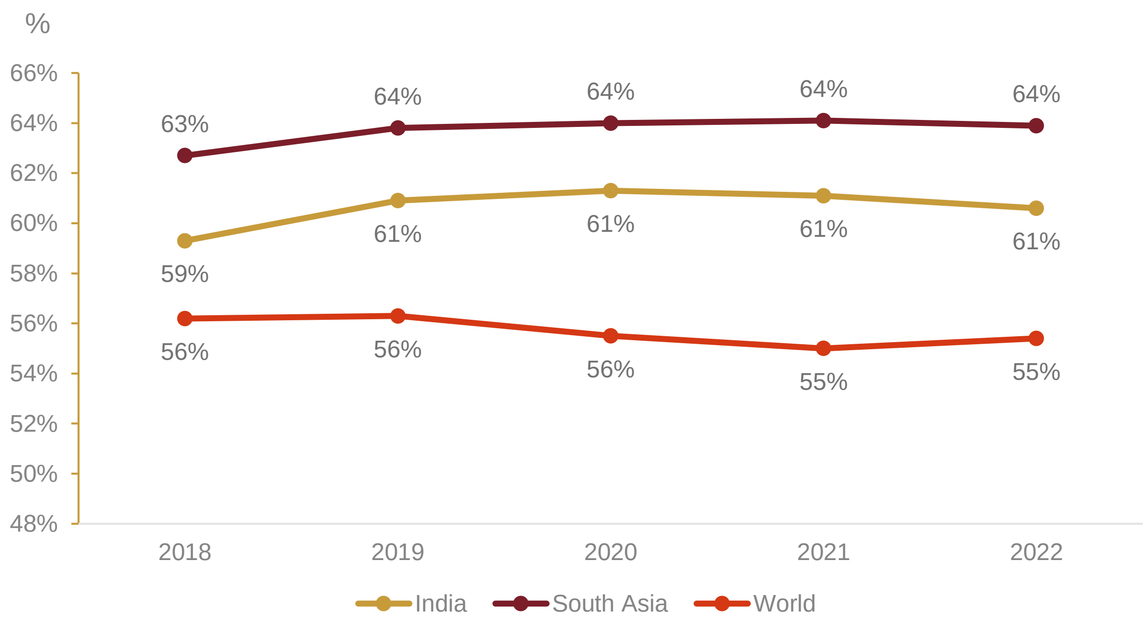
Source: World Trade Organization, UNCTAD Global Trade Update, CRISIL MI&A

Share of household consumption in GDP improved in CY2022

Household consumption is defined as the market value of all goods and services, including durable products (such as cars, washing machines, and home computers), purchased by households. It also includes payments and fees to governments to obtain permits and licenses. Household consumption expenditure also includes the expenditures of non-profit institutions serving households, even when reported separately by the country.

Globally, household consumption as a percentage of global GDP improved to 55.4% in CY2022, compared to 55.0% in CY2021. However, macroeconomic pressures like recession, geopolitical issues, rising interest rates constrained further improvement, and the share of household consumption in global GDP stood below CY2018 levels. However, share of household consumption as percent of GDP for developing economies like India improved between the same period from 59.3% in CY2018 to 60.6% in CY2022, indicating relatively stable consumer spending.

Share of household consumption as percent of GDP



Source: World bank, CRISIL MI&A

2. Macroeconomic overview of India

2.1 Review of India's GDP growth

GDP registered a CAGR of 5.7% between fiscal 2012 and fiscal 2023

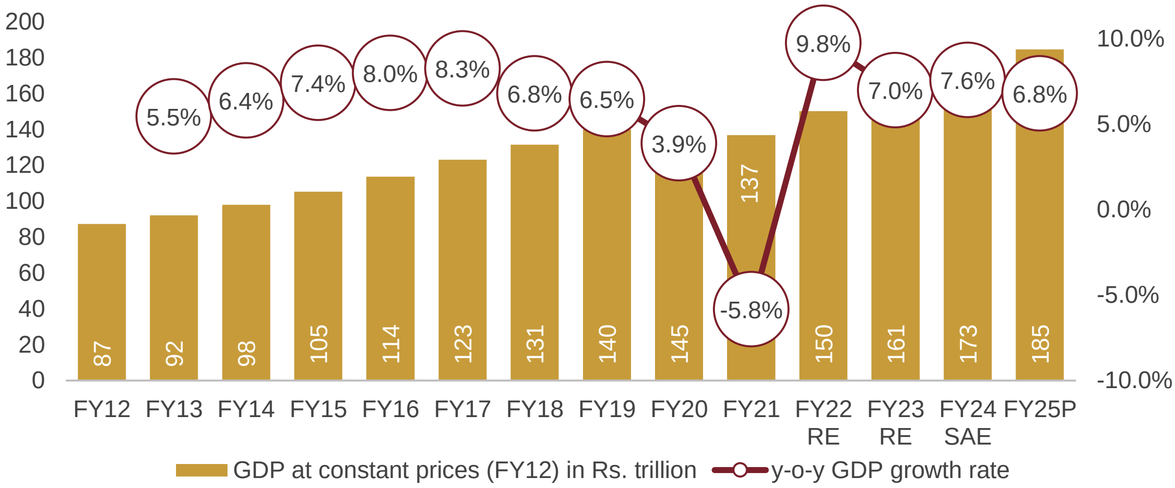
The country's gross domestic product (GDP) increased at a compound annual growth rate (CAGR) of 5.7% to Rs 161 trillion in fiscal 2023 from Rs 87 trillion in fiscal 2012.

In fiscal 2022, the economy recovered from the pandemic-related stress as restrictions were eased and economic activity resumed, though inflation spiralled in the last quarter due to geopolitical pressures, with a GDP print of 9.8% vs -5.8% in fiscal 2021. In fiscal 2023, GDP rose 7.0% on strong growth momentum propelled by investments and private consumption. The share of investments in GDP rose to an 11-year high of 34% and that of private consumption to an 18-year high of 58.0%.

In fiscal 2024, real GDP is expected to grow by 7.6%. Even as the agricultural economy slowed sharply in fiscal 2024 following a weak monsoon, the surge in non-agricultural economy has more than offset it. The government-driven investment push, along with easing input cost pressures for industry, has also played a major role in shoring up growth. However, services have been slowing with waning pent-up demand (post pandemic), with the exception of financial, real estate and professional services, which has powered ahead on the back of robust growth in banking and real estate.

In fiscal 2025, CRISIL MI&A expects the country's GDP to expand 6.8% on a Y-o-Y basis, driven by continued disinflation supporting the purchasing power of consumers, growth in agricultural sector coupled with gradual pick-up in the private sector capital expenditure. However, the growth is estimated to be slower than fiscal 2024, on account of continuing transmission of rate hike made by RBI, uneven economic growth for trading partner and escalation of on-going red crisis coupled with regulatory actions towards unsecured lending taming the credit growth.

Real GDP growth in India (new series) – constant prices



Note: RE: revised estimates, SAE : second advanced estimates P: projected
These values are reported by the government under various stages of estimates
Only actuals and estimates of GDP are provided in the bar graph

Source: Second advance estimates of national income 2023-24, quarterly estimates of gross domestic product for the third quarter (October - December) of 2023-24 and first revised estimates of national income, consumption expenditure, saving and capital formation for 2022-23, Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A

Healthy growth of GVA in FY23 in line with GDP growth

On the supply side, gross value added (GVA) at current prices grew 14.0% in fiscal 2023, compared with 19.0% growth in fiscal 2022. In absolute terms, current GVA was valued at Rs 247 trillion in fiscal 2023, up from Rs 216 trillion in fiscal 2022. Additionally, in fiscal 2024, GVA is expected to reach Rs 267 trillion, up from Rs 247 trillion, in fiscal 2023, registering a growth of 8.2%. Overall, GVA has registered a CAGR of 10.4% between fiscal 2012 and fiscal 2024.

Within GVA, i) financial, real estate & professional services, ii) agriculture, forestry and fishing, and iii) trade, hotels, transport, communication & services related to broadcasting are the top three contributors to the overall GVA in fiscal 2024(SAE) with the share of 22.7%, 17.6% and 17.6% respectively.

GVA at current prices

R trillion	FY12	FY19	FY20	FY21	FY22 (RE)	FY23 (RE)	FY24 (SAE)	Share in GVA FY24	FY12 - FY24 CAGR
Agriculture, forestry and fishing	15	30	34	37	41	45	47	17.6%	10.0%
Mining and quarrying	3	4	4	3	4	5	5	2.0%	6.0%
Manufacturing	14	28	27	28	34	35	38	14.1%	8.5%
Electricity, gas, water supply & other utility services	2	4	5	5	6	6	7	2.4%	11.0%

Construction	8	14	14	13	18	22	24	9.0%	9.8%
Trade, Hotels, Transport, Communication & Services related to Broadcasting	14	32	35	29	37	44	47	17.6%	10.5%
Financial, Real Estate & Professional Services	15	35	39	40	46	55	61	22.7%	12.1%
Public Administration, Defence & Other Services	10	24	27	26	30	34	39	14.6%	11.8%
Total GVA at current prices	81	172	184	182	216	247	267		10.4%

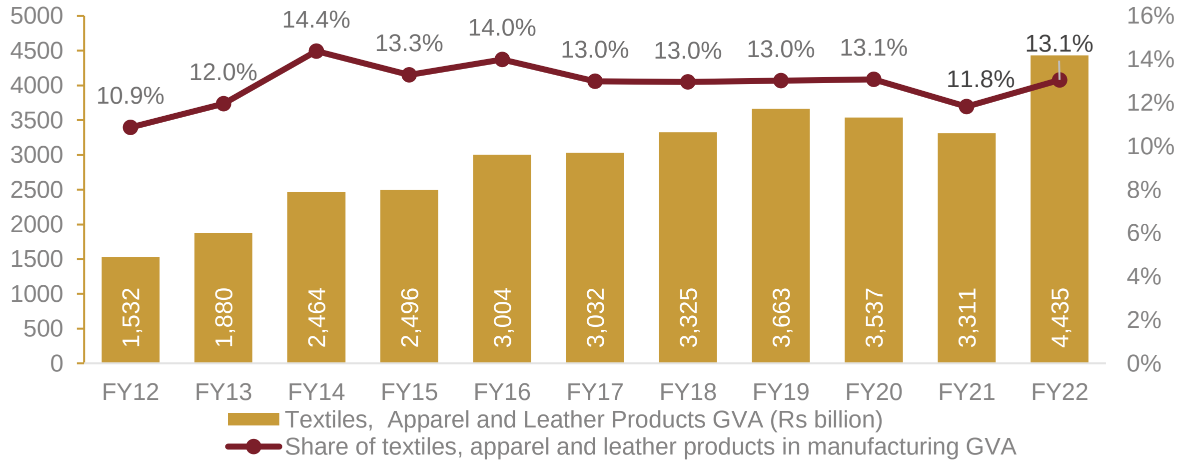
Note: RE: revised estimate, PE: provisional estimate, FAE: First advance estimates

Source: MoSPI, CRISIL MI&A

Share of textile, apparel and leather industry improved in manufacturing GVA at current prices in India

The contribution of textile, apparel and leather industry in India in the overall manufacturing GVA of the country improved to 13.1% in fiscal 2022, up from 10.9% in fiscal 2012. In absolute terms, GVA of textile, apparel and leather industry at current prices grew to Rs 4,435 billion in fiscal 2022, on a base of Rs 1,532 billion in fiscal 2012, thereby registering a CAGR of 11.2%.

Textiles, Apparel and Leather products GVA (current price)



Source: Ministry of Statistics and Programme implementation, CRISIL MI&A

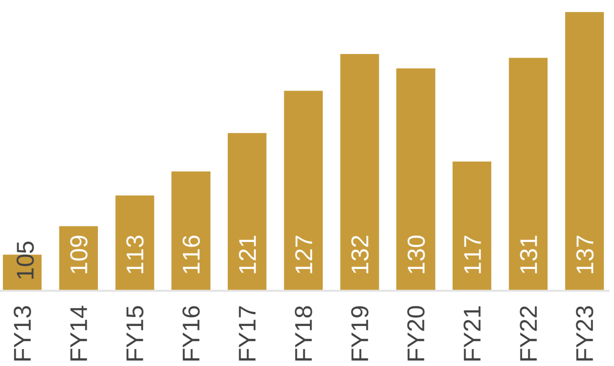
2.2 Fundamental growth drivers of GDP

Manufacturing IIP further improved in fiscal 2023 indicating increased commercial activities

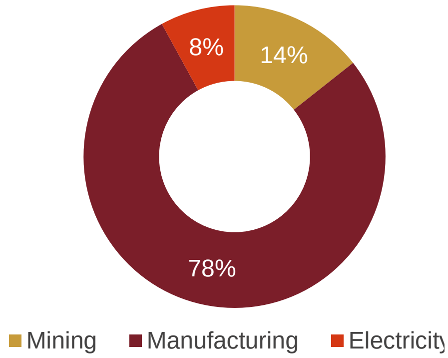
The Index of Industrial Production (IIP) for manufacturing saw steady growth from 105 in fiscal 2013 to 137 in fiscal 2023. The manufacturing sector is a significant contributor to the country's overall industrial growth, with 78% weightage in the overall IIP as of fiscal 2023.

Even though manufacturing IIP declined significantly to 117 in fiscal 2021 due to the pandemic, it recovered to 131 in fiscal 2022 because of various factors such as the easing of restrictions, government stimulus measures, increasing consumer demand and efforts to revitalise the manufacturing sector. Furthermore, the estimate for fiscal 2024 stands at 143, showing an improvement in the indicator.

Manufacturing IIP (FY13-23)



Weight of manufacturing in IIP (FY23)



** Data is for nine months ending December 2023*

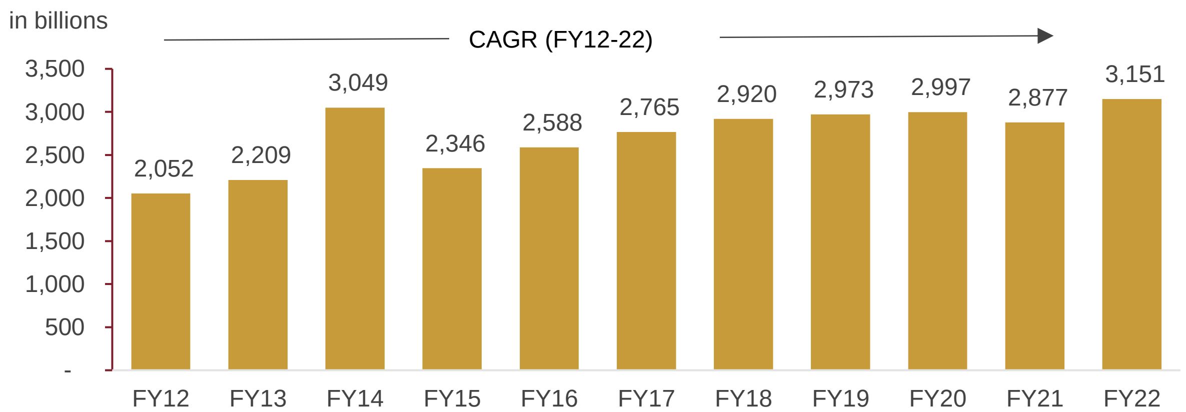
Note: FY12 is the base year for the Manufacturing IIP index (FY12=100)

Source: MoSPI, CRISIL MI&A

Investments in textile and wearing apparel segment have grown at ~4.4% CAGR between FY12-22

The investments in the textile and wearing apparel segment in India increased from Rs. 2,052 billion in fiscal 2012 to Rs. 3,151 billion in fiscal 2022, growing at a CAGR of ~4.4%. The increase in investments has led to the total number of textile and apparel factories reaching the figure of 30,210 in fiscal 2022, increased from 27,958 in fiscal 2012. The Government of India has also been introducing several schemes for the textile and apparel sectors such as the Amended Technology Upgradation Fund Scheme (ATUFS), Scheme for Integrated textiles park (SITP), Samarth scheme, etc. ATUFS has the objective to modernize and upgrade the technology of the Indian textile industry. SITP is for providing world class infrastructure facilities. In addition to these, many other schemes specific to silk, jute, wool, handloom, and handicraft sectors are also being implemented.

Investments in textile and wearing apparel industries

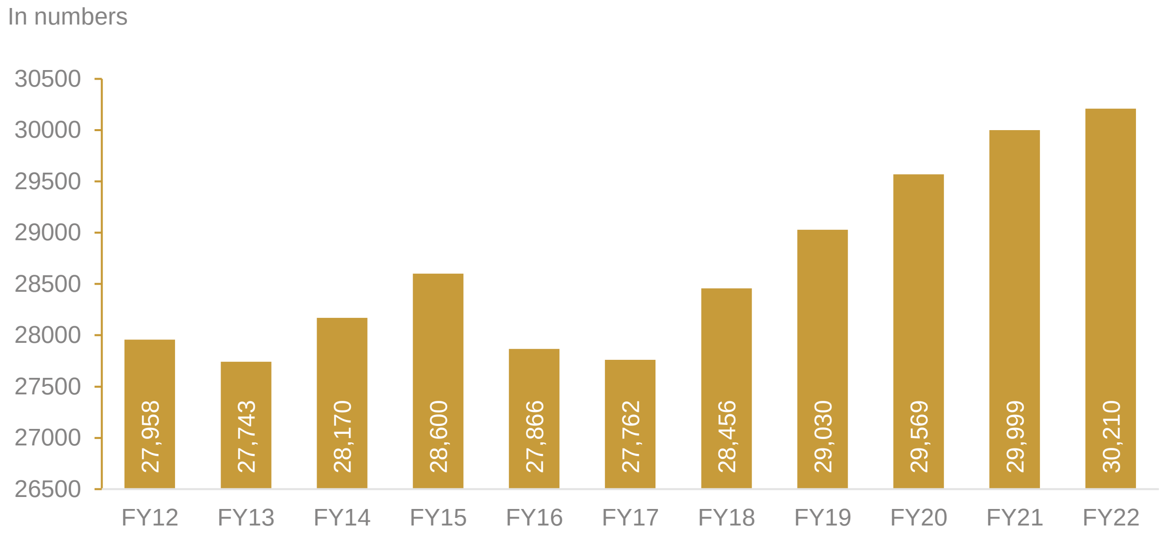


Note: FY22 numbers are as per latest ASI data released in February 2024

The above chart represents invested capital numbers, which is the total of fixed capital and physical working capital.

Source: ASI, MoSPI, CRISIL MI&A

Total number of factories for Textile and wearing apparel



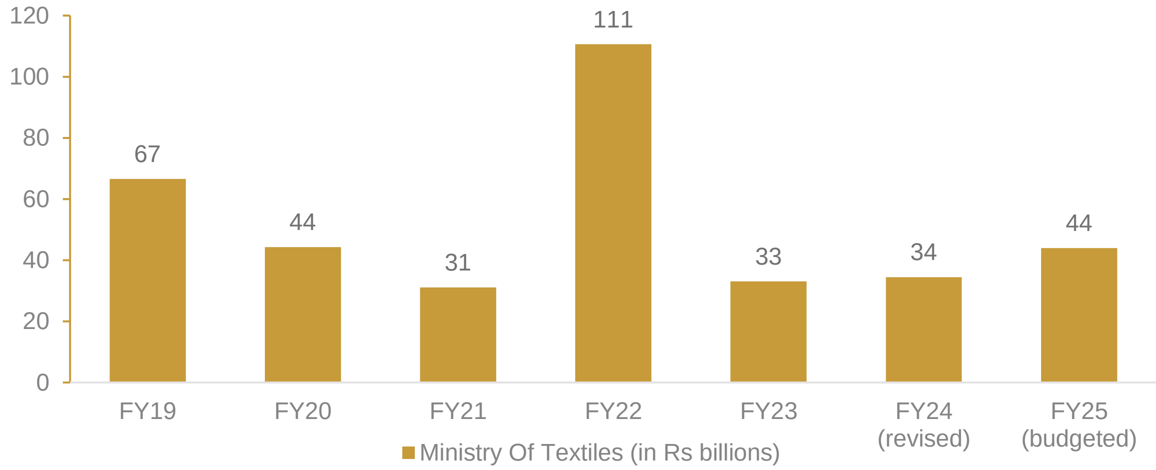
Note: FY22 numbers are as per latest ASI data released in February 2024

Source: ASI, MoSPI, CRISIL MI&A

For fiscal 2025, budget allocation to Ministry of Textiles has been increased by ~28%

Government of India increased the budget allocated to Ministry of Textiles by ~28% in fiscal 2025 to Rs 44 billion compared to the revised allocated budget to Ministry of Textiles in fiscal 2024 of Rs 34 billion. Out of Rs 44 billion, the major component will be of revenue nature, followed by capital expenditure. Few major schemes that will be benefitted from this budget includes Amended Technology Upgradation Fund Scheme (ATUFS) (~Rs 7 billion allocated), National Handloom Development Programme (~Rs 2 billion allocated), and National Handicrafts Development Programme (NHDP) (~Rs 2 billion allocated), National Technical Textiles Mission (~ Rs 4 billion allocated) and PM-MITRA (~Rs 3 billion allocated).

Demands for Grants



Source: Budget documents, CRISIL MI&A

Multiple government led schemes will support growth of textile sector in India

The Government of India has announced multiple schemes to increase the economies of scale, export potential and competitiveness in the textile sector. The Government of India has also been introducing several schemes for the textile and apparel sectors including Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA), Production Linked Incentive Scheme (PLI scheme), Kasturi Cotton Bharat, National Technical Textile Mission (NTTM), Amended Technology Upgradation Fund Scheme (ATUFS), and Scheme for Capacity Building in Textiles Sector (SAMARTH). If implemented well, both will boost MMF-based RMG exports, and drive demand for MMF and yarn. Further details about the schemes along with capital outlay are mentioned in the table below:

Scheme	Details
PM MITRA	PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme aims to develop world class infrastructure including plug and play facility with a capital outlay of Rs 44.45 billion up to 2027-2028. PM MITRA Parks Scheme are inspired by the 5F vision of Hon'ble Prime Minister - Farm to Fibre to Factory to Fashion to Foreign. Investments of nearly Rs.700 billion and employment generation of 20 lakh is envisaged.
PLI Scheme	The Government has approved the Production Linked Incentive (PLI) Scheme for Textiles with an approved outlay of Rs 106.83 billion over a five-year period to promote production of MMF Apparel, MMF Fabrics and products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive
Kasturi Cotton Bharat	Kasturi Cotton Bharat programme of Ministry of Textiles is a first of its kind branding, traceability and certification exercise carried out jointly by the Government of India, Trade Bodies and Industry to promote Indian Cotton. The Ministry of Textiles is driving this initiative in a mission-oriented approach, allocating budgetary support in alignment with Rs.150 million contribution from Trade & Industry Bodies. Spanning three years from 2022-23 to 2024-25, this collaborative effort anticipates a positive impact on the entire Indian Textile Industry, fostering an elevated global perception and value for Indian Cotton.
National Technical Textile Mission (NTTM)	The Government has launched a National Technical Textiles Mission (NTTM) with an outlay of Rs 14.8 billion, and a mission to develop usage of technical textiles in various flagship missions, programmes of the country including strategic sectors. The key pillars of NTTM include 'Research Innovation & Development', 'Promotion and Market Development', 'Education, Training and Skilling' and 'Export Promotion'. The mission got its extension until 31st March 2026, with a subsequent sunset clause applicable until 31st March 2028.
Amended Technology Upgradation Fund Scheme (ATUFS)	ATUFS was notified in January 2016 with an outlay of Rs.178.22 billion to incentivize mobilization of new investments of about Rs.950 billion and to create new employment for about 35 lakh persons by the 202. Under ATUFS, ratio of MSME: Non MSME is 89:11, while under previous versions of TUFS it was 30:70. Higher incentives of 15% (Rs 300 million) for entities for employment potential segments viz. Technical Textiles and garment/made ups.
SAMARTH	The Government, with a view to enhance the skills of the workforce in the textile sector has formulated Samarth Scheme under a broad skilling policy framework with the objective of providing opportunity for sustainable livelihood. The implementation period of the scheme is up to March 2024. The programme is implemented through Implementing Partners (IPs) comprising Textile Industry/Industry Associations, State Government agencies and Sectoral Organizations of the Ministry of Textiles. Under the Scheme 2,47,465 persons have been trained as on 11.12.2023.
Advance Licensing Scheme	The Advance Licensing Scheme allows duty-free import of raw materials to be used in goods that are exported to encourage exports.
Export Promotion Capital Goods Scheme (EPCG)	The EPCG Scheme, initiated in the 1990s, aims to boost India's international manufacturing competitiveness by facilitating the duty-free import of capital goods which are require in pre-production, production, and post-production activities. Manufacturers can benefit from this scheme, importing these goods without incurring customs duty. To maintain this duty exemption, the importer must achieve an export value six times the duty saved on the imported capital goods within six years from the authorization date. This implies that the importer (being export-oriented) needs to have earnings in foreign currency equivalent of 600% of the customs duty saved in domestic currency, within 6 years of availing benefits of the scheme.
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

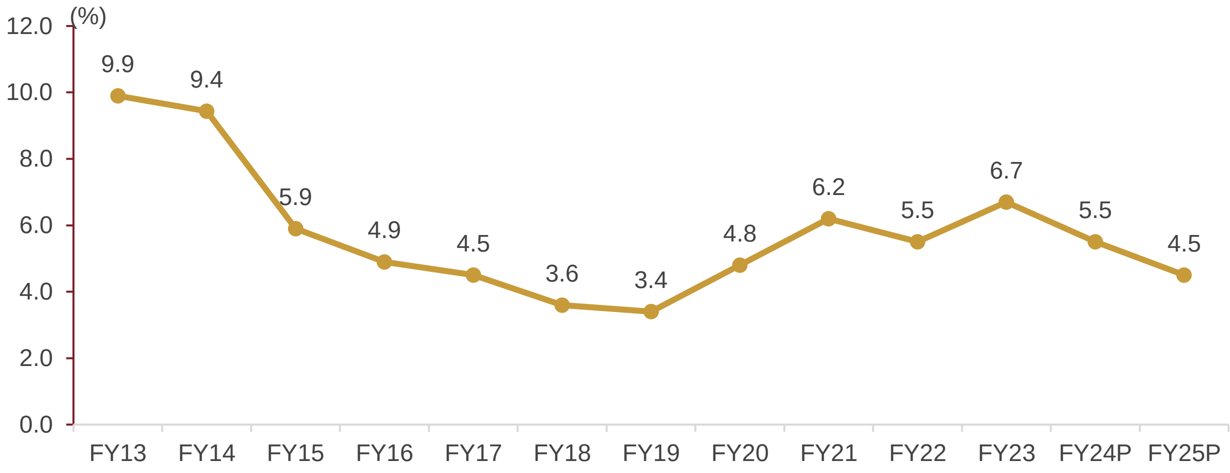
Source: PIB, Ministry of Textiles, CRISIL MI&A

CPI inflation is expected soften to 5.5% in fiscal 2024 and 4.5% in fiscal 2025

In May 2016, the Reserve Bank of India (RBI) adopted flexible inflation targeting (FIT), setting the numerical target for Consumer Price Index (CPI)-based inflation at 4% with a tolerance band of +/- 2%. Broadly speaking, CPI has eased from a high of 9.9% in fiscal 2013. Between fiscal 2016 to fiscal 2023, inflation was within the tolerance band, except in fiscal 2021 (CPI of 6.2%), owing to pandemic-led supply-side disruptions, and in fiscal 2023 (6.7%), because of rise in food inflation, supply disruptions on account of Russia-Ukraine conflict and capital outflows impacting India's exchange rate and import bill.

CRISIL expects CPI to ease to 5.5% this fiscal, driven by normal monsoon and reducing food prices. In fiscal 2025, CPI is forecasted to be at 4.5%. A combination of factors — impact of rising interest rates on domestic demand, a global demand slowdown leading to falling international commodity prices, and the base effect — should lower inflation.

CPI inflation trend



P: Projected
Source: CRISIL MI&A

PFCE has dominant share in India's GDP

Private final consumption expenditure (PFCE) has been the largest component of India's GDP historically. In fiscal 2024, it is estimated to contribute 55.6% to the GDP. PFCE at constant prices clocked 5.7% CAGR between fiscal 2012 to fiscal 2024. Growth was led by wage revisions due to the implementation of the Pay Commission's recommendations, benign interest rates, growing middle age population and low inflation. The increasing share of discretionary spending from fiscal 2012 suggests rise in disposable income and spending capacity of households.

Consumption expenditure will continue to drive GDP growth led by discretionary spends

In the medium to long term, positive economic outlook and growth across key employment generating sectors (such as real estate, infrastructure, and automobiles) is expected to have a cascading effect on overall per capita income. This, in turn, is expected to drive discretionary spending.

Broad split of PFCE into basic and discretionary spending – at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 RE	FY23 RE	FY24 SAE	CAGR FY12-FY24
PFCE (Rs trillion)	49	52	56	59	64	69	73	79	83	78	87	93	96	5.7%

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 RE	FY23 RE	FY24 SAE	CAGR FY12-FY24
Share of PFCE in GDP	56.2%	56.2%	56.7%	56.2%	56.1%	56.1%	55.8%	56.1%	56.8%	57.2%	58.1%	58.0%	55.6%	-
Share of discretionary spending in PFCE	53.4%	53.2%	52.7%	54.8%	57.1%	57.0%	58.3%	59.3%	59.6%	56.6%	57.9%	N.A.	N. A	-

RE: Revised estimates, PE: Provisional estimates, SAE: Second advance estimates

N.A – not available; PFCE data is from the latest available National Account Statistics 2023; discretionary items include education, healthcare, electricity, water supply, footwear, personal care products, processed foods, alcoholic and non-alcoholic beverages, tobacco, narcotics, fuel and gas, furnishing and household equipment, vehicle and personal transportation, spending on recreation and culture, communication, restaurants and hotels, financial insurance and other financial services, and other items not elsewhere classified. The remainder is contributed by basic items which include food, clothing and housing.

Source: MoSPI, CRISIL MI&A

Expenditure in clothing & footwear logged a CAGR of 4.6% growth during the last decade

Within PFCE, expenditure in clothing & footwear logged a CAGR of 4.6% between fiscal 2012 to fiscal 2022. During the same period, PFCE logged a CAGR of 5.9% Expenditure on clothing and footwear witnessed a decline during fiscal 2021, due to Covid-19 induced economic slowdown and change in consumers spending behavior. The decline in clothing and footwear expenditure was in line with the overall decline in discretionary spending in fiscal 2021, during which the share of discretionary spending decreased to 56.6% from 59.6% in fiscal 2021. However, expenditure on clothing and footwear saw major uptick in fiscal 2022 and stood at ~Rs. 4,898 billion compared to Rs 3,960 billion in fiscal 2021. As income levels improve and, consequently, discretionary spending increases, CRISIL MI&A expects spend on clothing to increase further in future.

Within clothing and footwear PFCE, clothing occupies the dominant share followed by footwear. As of fiscal 2022, the share of clothing PFCE in the clothing and footwear PFCE increased to 81% compared to 79% in fiscal 2021. Additionally, share of total clothing and footwear PFCE in the total PFCE also improved to 5.6% in fiscal 2022 compared to 5.1% in fiscal 2021.

Breakup of clothing and footwear PFCE

PFCE	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
PFCE (Rs Billion)											
Clothing PFCE	2,504	2,609	3,098	3,038	3,255	3,336	3,406	3,521	3,428	3,119	3,949
Footwear PFCE	612	549	668	819	956	897	907	969	1,107	841	949
Clothing and Footwear	3,115	3,158	3,766	3,857	4,211	4,233	4,313	4,490	4,534	3,960	4,898
Percentage share in clothing and footwear PFCE											
Clothing (%)	80%	83%	82%	79%	77%	79%	79%	78%	76%	79%	81%
Footwear (%)	20%	17%	18%	21%	23%	21%	21%	22%	24%	21%	19%
Clothing and footwear share in PFCE	6.3%	6.1%	6.8%	6.5%	6.6%	6.1%	5.9%	5.7%	5.5%	5.1%	5.6%

Note: RE: revised estimate, PE: provisional estimate

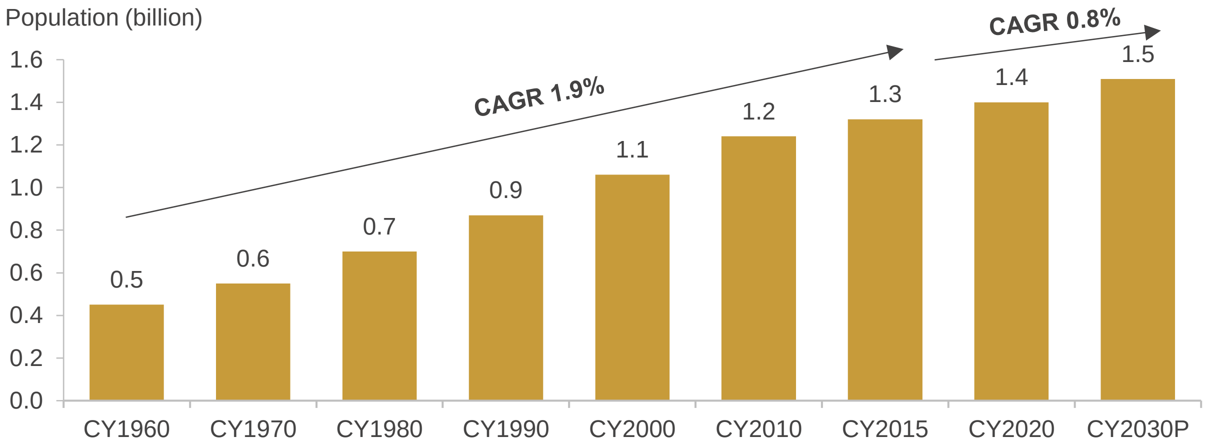
Source: MoSPI, CRISIL MI&A

Growing population, increasing urbanisation and a young demographic profile to strengthen India's consumer base and consumer demand

India's population grew to ~1.2 billion according to Census 2011, at a CAGR of 1.9% between CY2001 and CY2011. As of 2010 census, the country had ~246 million households. Additionally, as per United Nations Population Fund's (UNFPA), "State of World Population Report" of 2023, India's population by mid-year of 2023 is estimated to have surpassed China by around ~2.9 million. This demographic expansion along with increasing per capita income will lead to increase consumer spending in India.

Also, India's urban population is expected to continue to rise on the back of economic growth. The share of urban population is projected to increase to nearly 40% by 2030, according to a UN report on urbanisation.

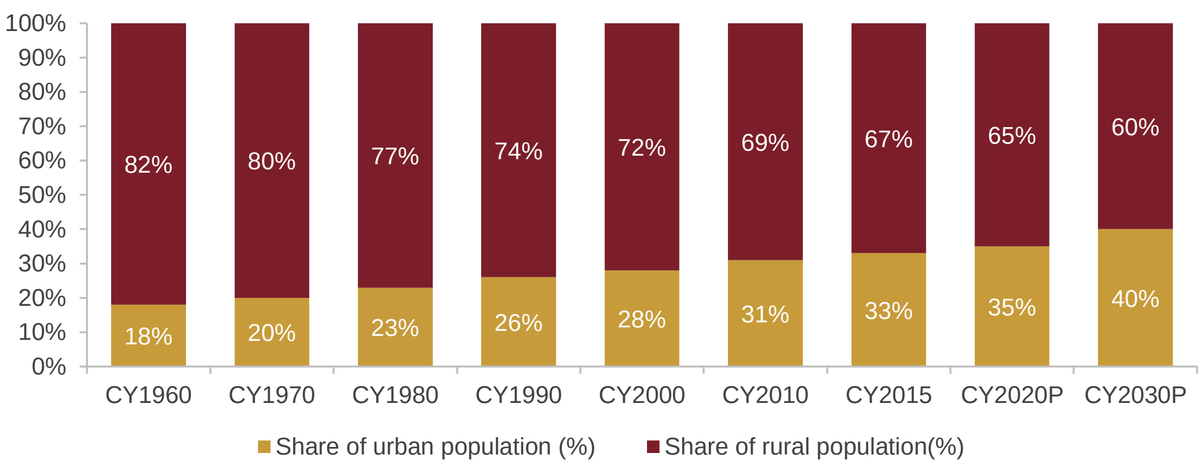
India's population growth



P: Projected

Source: UN Department of Economic and Social Affairs, World Population Prospects 2022, CRISIL MI&A

India's urban vs. rural population (%)



P: projected

Source: World Urbanization Prospects: The 2018 Revision, UN, CRISIL MI&A

As per the United Nations' 2022 Revision of World Population Prospects, India's youth (0-24 years) accounted for nearly half its population in 2010, significantly higher than that for some of its peers (Brazil at 42.5%, China at 35.1% and the Russian Federation at 29.7%). The fact that ~31% of the population is aged below 15 indicates the high proportion of the country's young population is expected to remain so in the coming years.

This share is, in fact, expected to reach ~39% by 2030, and remain significantly higher than that of its peers (Brazil at 31.5%, China at 25.4% and the Russian Federation at 27.7%). This also indicates a higher proportion of population entering the workforce.

Age-wise population break-up (%) for key countries

Country	0-14 years	15-24 years	25-49 years	50-69 years	70+	Total
Brazil						
CY2010	24.8%	17.7%	37.6%	15.6%	4.4%	100%
CY2020	20.8%	15.6%	38.3%	19.5%	5.8%	100%
CY2030P	18.2%	13.3%	37.4%	22.6%	8.4%	100%
China						
CY2010	18.5%	16.6%	40.3%	19.0%	5.7%	100%
CY2020	18.0%	11.4%	37.6%	25.5%	7.5%	100%
CY2030P	13.1%	12.3%	34.0%	28.6%	12.0%	100%
India						
CY2010	31.0%	19.1%	33.9%	12.9%	3.1%	100%
CY2020	26.1%	18.2%	36.2%	15.5%	3.9%	100%
CY2030P	22.3%	16.2%	38.0%	17.9%	5.5%	100%
Russian Federation						
CY2010	15.2%	14.6%	37.2%	23.2%	9.8%	100%
CY2020	17.7%	9.8%	37.4%	25.5%	9.7%	100%
CY2030P	15.4%	12.4%	33.8%	25.2%	13.3%	100%
UK						
CY2010	17.6%	13.1%	34.8%	22.9%	11.6%	100%
CY2020	17.8%	11.6%	32.5%	24.4%	13.7%	100%
CY2030P	15.4%	12.2%	31.9%	24.5%	15.9%	100%
US						
CY2010	19.9%	14.1%	34.1%	22.8%	9.1%	100%
CY2020	18.5%	13.1%	33.0%	24.7%	10.7%	100%
CY2030P	16.4%	12.5%	33.2%	23.0%	14.8%	100%

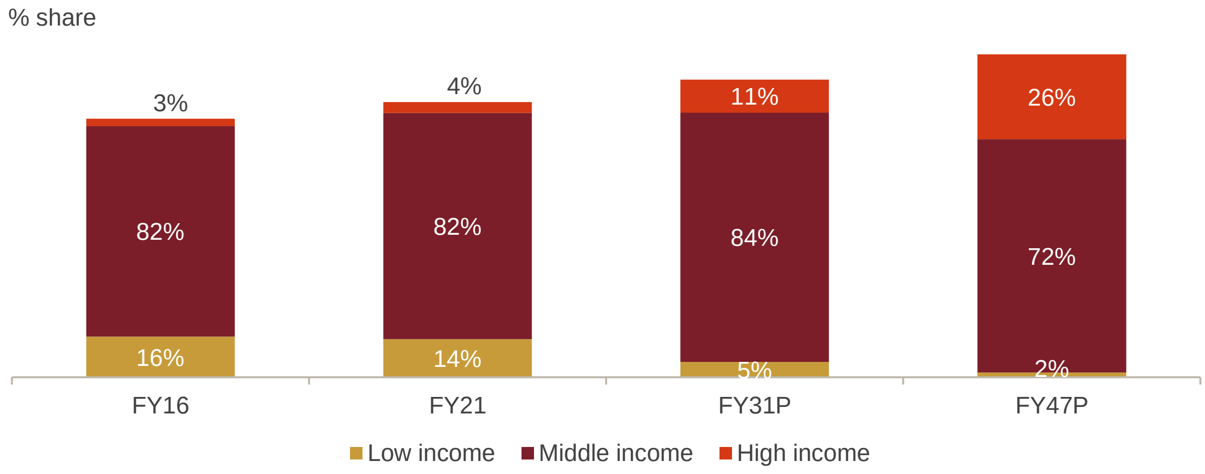
P: Projected

Source: United Nations, Department of Economic and Social Affairs, Population Division (2022); World Population Prospects 2022, CRISIL MI&A

Decline in poverty levels indicates rise in middle- and high-income group in India

The proportion of poor in India (defined as those living on Rs 125,000 per annum or less) declined from ~16% in fiscal 2016 to ~14% in fiscal 2021. Conversely, the proportion of those in the middle- and high-income groups increased from 85% to ~86%. By fiscal 2031, this share is expected to reach ~95%, supported by growth in per capita income.

Income-based split of the population



P: Projected

Note: Low-income group comprises those earning less than Rs 125,000 per annum; middle-income group comprises those earning between Rs 125,000 and Rs 3 million per annum, and high-income group comprises those earning more than Rs 3 million per annum; percent figures are rounded off

Source: People Research on India's Consumer Economy (ICE) 360° survey, CRISIL MI&A

Robust growth in per capita income over FY12-23

India's per capita income, a broad indicator of living standards, rose from Rs 63,462 in fiscal 2012 to Rs 99,404 in fiscal 2023, logging 4.2% CAGR. Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR. Furthermore, according to second advance estimates for fiscal 2024, per capita net national income (constant prices) is estimated to have increased to Rs 106,134; thereby registering a y-o-y growth of 6.8%.

Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22RE	FY23RE	FY24SAE
Per-capita NNI (Rs)	63,462	65,538	68,572	72,805	77,659	83,003	87,586	92,133	94,270	86,054	94,054	99,404	106,134
Y-o-Y growth (%)		3.3	4.6	6.2	6.7	6.9	5.5	5.2	2.3	-8.7	9.3	5.7	6.8

Note: RE: revised estimates, PE: provisional estimates, SAE: Second Advance Estimates

Source: Second advance estimates of national income 2023-24, CSO, MoSPI, CRISIL MI&A

3. Assessment of global textiles industry

Textile is a term widely used for referring to woven fabrics, yarns and fibres made from jute, polyester, cotton, wool, etc. The textile market consists of sales of textiles by entities that produce fibre, yarn, threads, carpets, rugs, linens, fabrics, fibres, apparels and other textile items. The textile industry is based on three main principles: developing, manufacturing, and distributing various materials like yarn, fabric and clothing. Knitting, crocheting, weaving, and other methods are commonly employed to produce many types of completed and semi-finished goods in the bedding, clothing, garment, medical, and other accessory industries.

3.1 An overview of global textiles industry

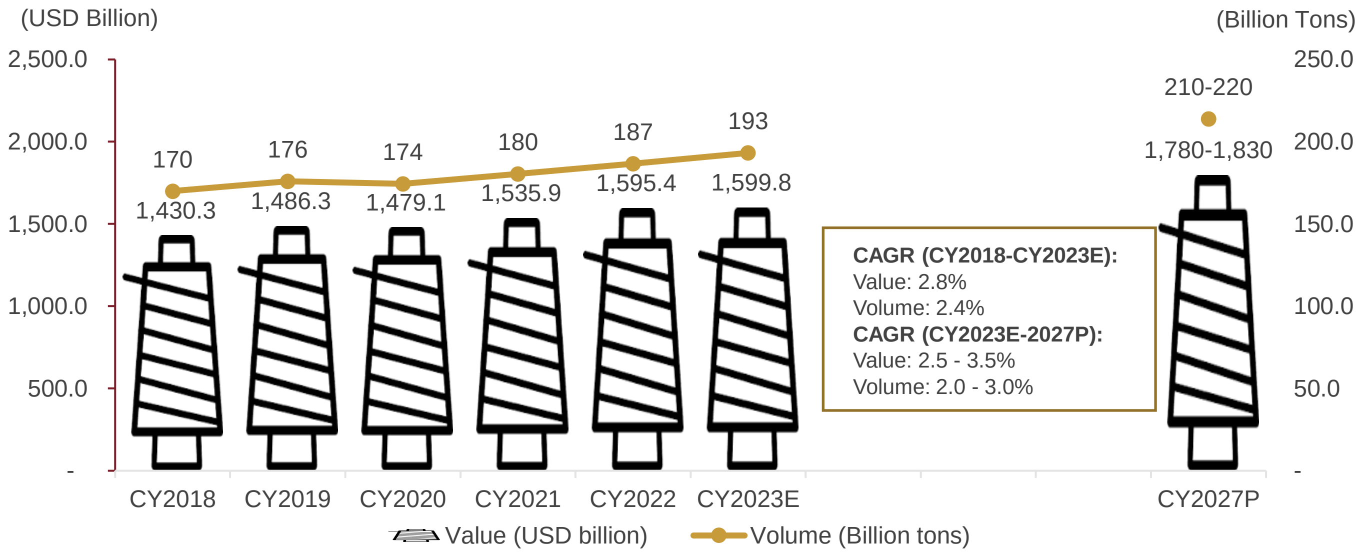
Global textile market expected to grow at 2.5-3.5% CAGR between CY2023-2027 in value terms

The global textile industry has grown consistently between CY2018 to CY2022, barring CY2020, which saw a decline due to Covid-19. Global trade restrictions due to disrupted supply chain and decline in textile product consumption amid imposed lockdown had negatively impacted the market resulting in a decline of ~0.5% in

CY2020 compared to CY2019. However, the market recovered in CY2021, registering a Y-o-Y growth of 3.8% due to the easing of Covid-19 restrictions and release of pent-up demand. The growth has continued, with global textile industry registering a Y-o-Y increase of 3.5% in CY2022 and CY2023 respectively.

Going ahead, the industry is expected to grow at a CAGR of 2.5 - 3.5% from CY2023 to CY2027 to reach ~USD 1,780-1,830 billion in CY2027. 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. Volume wise, the industry is expected to grow from 193 billion tons in CY2023 to 210-220 billion tons in CY2027, registering a CAGR of 2.0 - 3.0%.

Global textile market



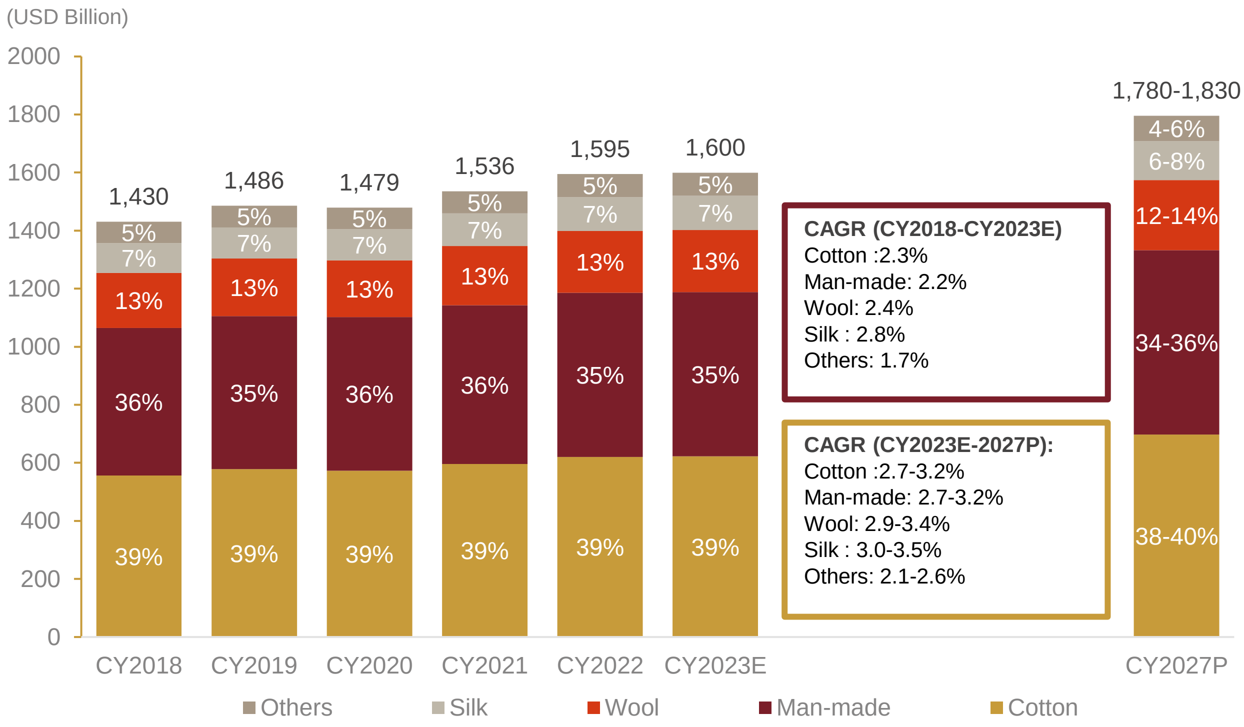
Source: Grandview Research, CRISIL MI&A

Cotton is expected to remain the largest contributor of textiles industry at ~38-40% share in CY2027

From CY2018- CY2023, cotton has continued to dominate the textile market, accounting for around 39% of total textile sales. The high demand for cotton can be attributed to its exceptional qualities like strength, absorbency, and colour retention. Its share is expected to remain in similar range (38-40%) in CY2027 as well.

Man-made textiles had the second largest market share between CY2018-2023 and is expected to remain in similar range in CY2027 as well due to easy availability of raw materials, growing population and increasing demand of apparels in various textures and designs.

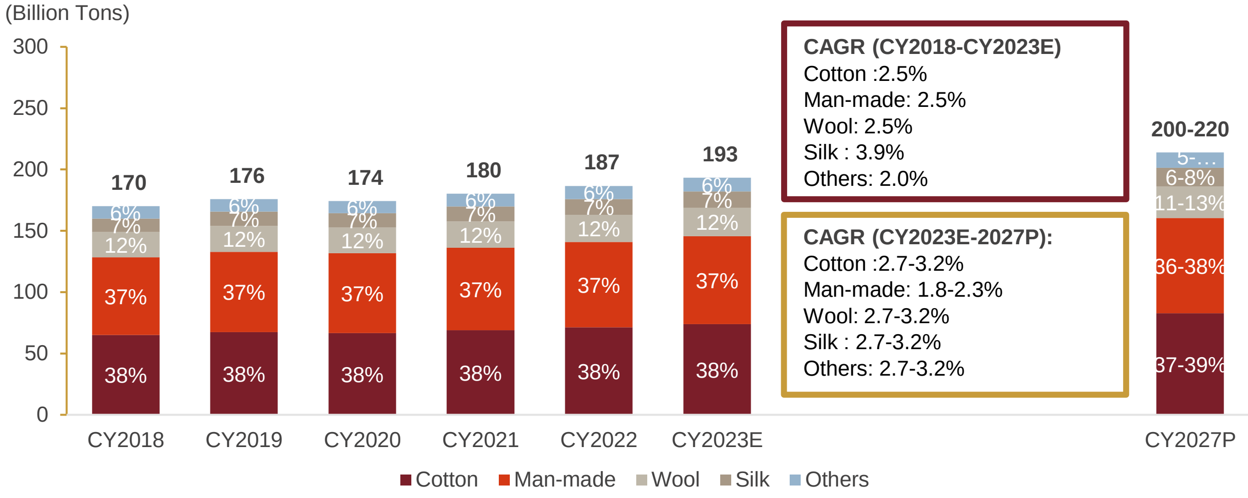
Global textile sales by raw material (value)



Source: Grandview Research, CRISIL MI&A

On volume basis also, cotton and man-made textiles had the highest share with 38% and 37% respectively between CY2018-2023. Overall, on volume basis, the industry is expected to register a CAGR of 2.0-3.0% in between CY2023-2027 compared to a CAGR of ~2.4% between CY2018-2023.

Global textile sales by raw material (volume)



Source: Grandview Research, CRISIL MI&A

Natural fibres dominated the market with 44% share in CY2023, followed by polyester

Natural fibers dominated the textile market between CY2018-2023, accounting for ~44% of total revenue due to their wide range of applications in the fashion and clothing industry as well as increased environmental awareness, combined with a consumer trend toward sustainable products. Moving forward, natural fibres are expected to continue holding their dominant share.

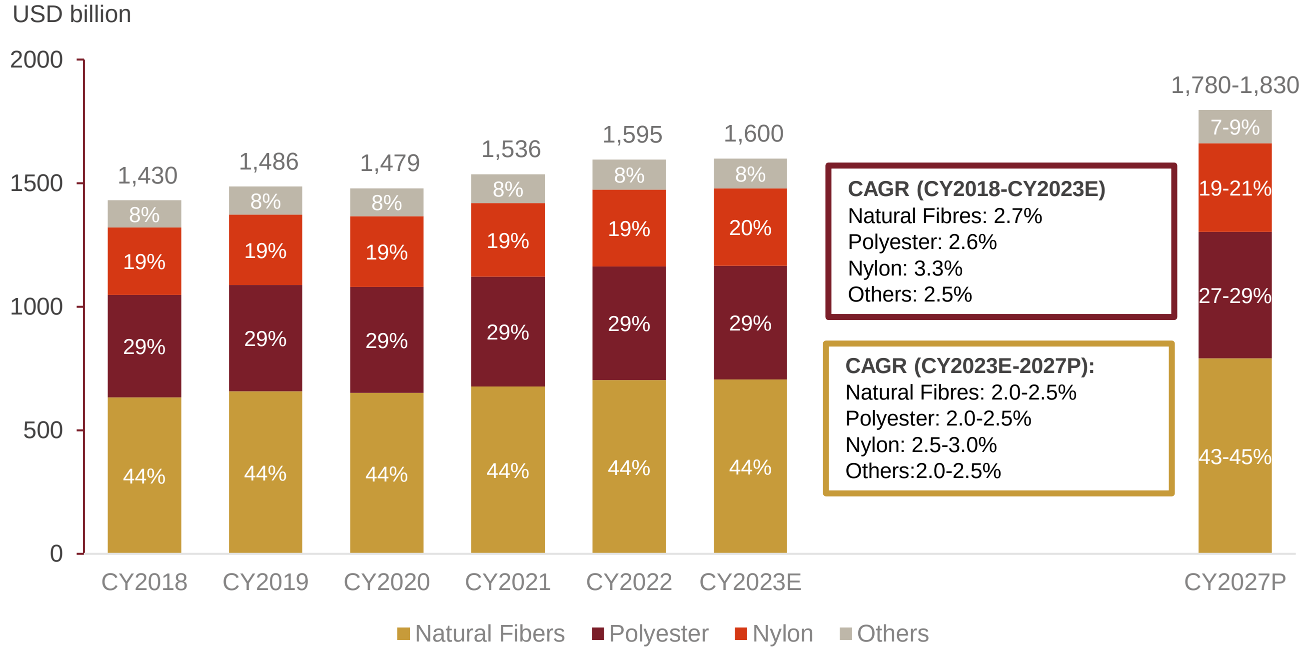
Polyester had the second highest market share between CY2018-2023 at 29%, owing to its various features such as high strength, chemical and wrinkle resistance, and quick drying. It is utilized in both households and industries as a cushioning and insulating material in pillows, as well as in the manufacturing of carpets, air filters, coated fabrics, and other products.

Nylon has the third largest share across the years at 20% due to its great durability, elasticity, and moisture-absorbing characteristics. It can also be used to make silk-based products like women's stockings, parachutes, flak vests, and other items. Additionally, Nylon is stronger and is more stretchable than Polyester due which its finding increasing application in the business. Due to the same reasons, Nylon is expected to register higher growth moving forward.

Polyethylene (PE), Polypropylene (PP), aramid, and polyamide are among the other product segments. Polyethylene's excellent resilience to acids and alkalis at high temperatures, as well as its low moisture retention, have raised its market demand. Furthermore, the use of polypropylene in the textile industry is boosting market growth.

Shares of various fibres are expected to remain in a similar range going forward in CY2027.

Fibre-wise segmentation of global textiles



Source: Grandview Research, CRISIL MI&A

3.2 International price trends of key raw materials in textile industry

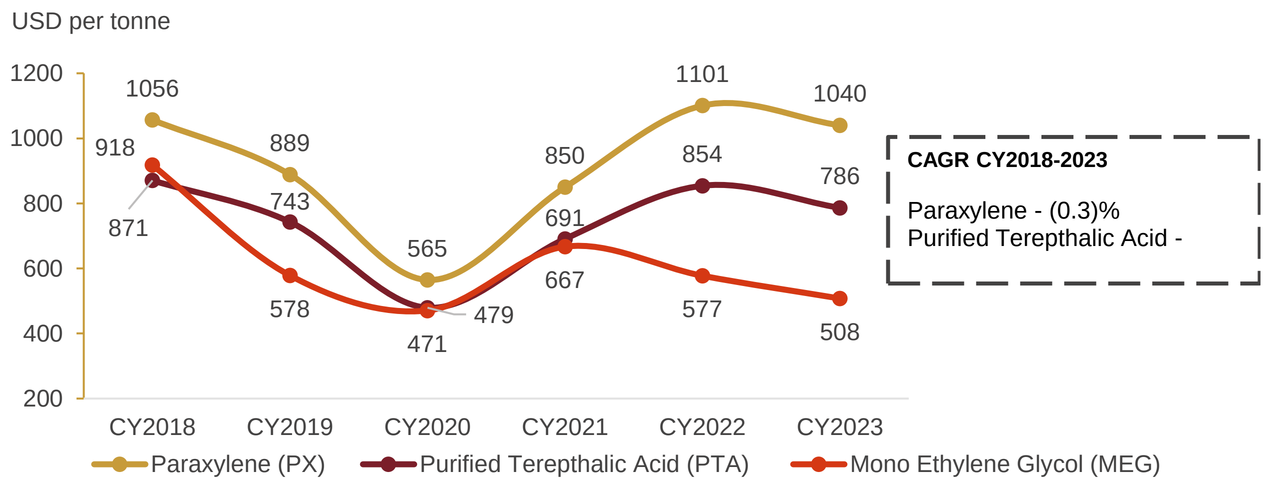
Polyester feedstock prices dip in 2023 in tandem with crude oil

Paraxylene (PX), Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG) are major raw materials in the manufacturing of Polyester Stable Fibre (PSF) and Polyester Filament Yarn (PFY). Paraxylene is the primary raw material for both PTA and MEG, while Naphtha - a crude oil derivative - acts as a significant raw material for PX.

From CY2018-2020, the raw material prices have experienced a dip, however, post CY2020 the prices have seen a rise till CY2022 (except for MEG) aligning with the crude oil price trends. MEG witnessed a decline in CY2022, owing to the oversupply in international markets leading to a price decline of ~13%.

In CY2023, all the raw materials prices declined attributed to correction in crude oil prices amidst the global economic slowdown in major economies such as United States of America (US) and European Union (EU).

Trend of polyester feedstock prices CY2018-2023



Year	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023
Crude oil Price (USD per barrel)	71	64	42	70	100	83

Note:

Prices of PX, PTA and MEG are as per Cost and Freight (CFR) Southeast Asia

Price of crude oil is for dated brent

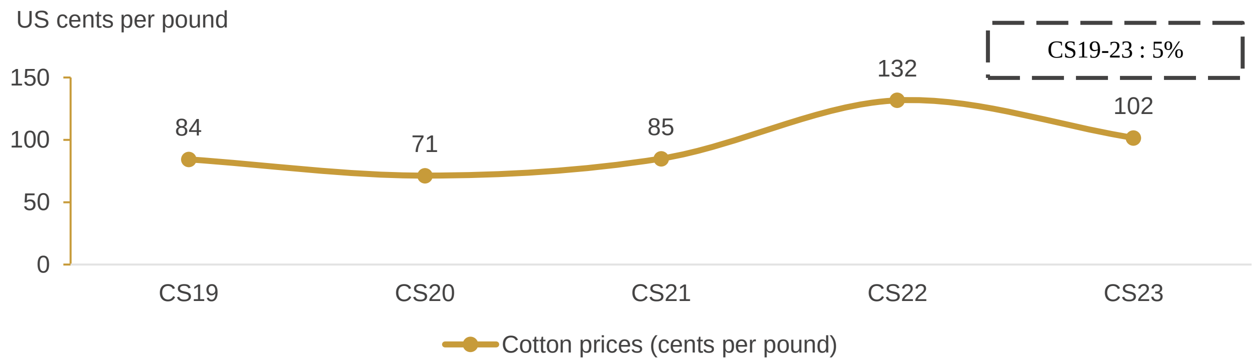
Source: Industry publication, CRISIL MI&A

Cotton prices saw a decline in CS2023 owing to increased production

Cotton is one of the major raw materials in textile industry for production of apparel and natural fibers. Internationally, cotton prices have seen a rise in prices at a CAGR of ~5% between CS19 and CS23 with prices estimated to be at 102 US cents per pound by CS23.

The cotton prices saw an uptick of ~55% in CS2022, owing to demand revival post covid coupled with global macroeconomic tensions involving Russia – Ukraine war. Further, in CS2023, the prices saw a dip of ~23% owing to to increased production in major countries like Brazil.

Trend of cotton prices CS19-23E



Note: The price mentioned above is average price for given season (August 1 to July 31). For example, CS22 indicates August 2021 to July 2022.

Source: International Cotton Advisory Committee (ICAC), CRISIL MI&A

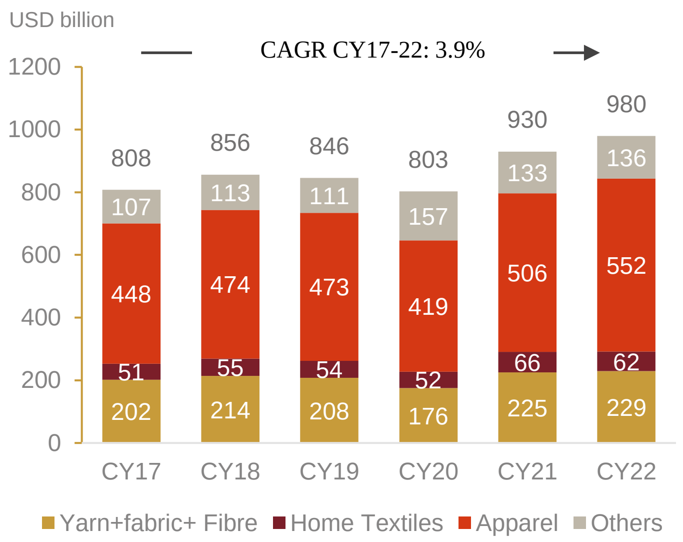
3.3 Overview of global textile trade

Apparels dominate global textile trade

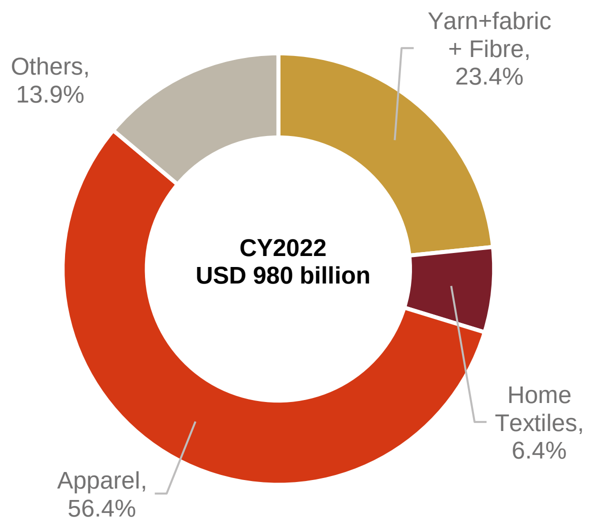
Global textile trade has grown at a CAGR of ~3.9% between CY2017-2022 and was valued at USD 980 billion as of CY2022. On Y-o-Y basis, CY2020 witnessed a decline of global exports due to Covid-19 pandemic and it had negative implication on global supply chains and overall consumer sentiment. However, the trade rebounded in CY2021, registering a Y-o-Y increase of 15.8% to USD 930 billion. This resurgence can be attributed to release of pent-up demand due to gradual opening up of the economy. In CY2022, global trade again witnessed a Y-o-Y increase of 5.3% in CY2022, however inflationary pressures along with weak consumer sentiment in major export markets like US and EU, restricted further growth.

Additionally, within textiles, apparels dominated the global trade with a share of 56.4%, followed by yarn, fabrics and fibre at 23.4% as of CY2022.

Global textile trade (CY2017-2022)



Breakup of global textile trade (CY2022)



Note: Trade numbers have been calculated on the basis of global export data; HS codes used for analysis include: 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 65, 4203, 4303, 4304. Any category apart from apparels, home textiles, yarn, fabric, fibre is clubbed under others

Source: ITU, CRISIL MI&A

India was the sixth largest exporter of textiles in CY2022 in terms of value

As of CY2022, China, Bangladesh and Italy were the top three exporters of textiles with the share of 34%, 6% and 5% respectively; compared to CY2019, when China, Bangladesh and Germany where top three exporters.

During the same period, India's share in the overall global trade has remained constant at ~4% and stood at USD 39 billion in CY2022. Factors like comparatively high costs (raw material, labour, power) along with lack of free trade agreements have negatively impacted India's textile export outlook on the global front. Additionally, trend of near sourcing along with comparatively longer lead times of Indian manufacturers has also affected India's position. However, growing popularity of China-plus-one policy along with developing textile infrastructure in India is expected to benefit India's textile sector and its competitive position in the global textile trade.

Major textile exporters

Exporters	**CY2018**		**CY2022**	
	USD Billion	**% share in total trade**	**USD Billion**	**% share in total trade**
China	276	32%	330	34%
Bangladesh	42	5%	61	6%
Italy	39	5%	45	5%
Viet Nam	37	4%	42	4%
Germany	40	5%	42	4%
India	38	4%	39	4%
Türkiye	28	3%	36	4%
U.S.A	28	3%	32	3%
Netherlands	17	2%	21	2%
Spain	20	2%	21	2%

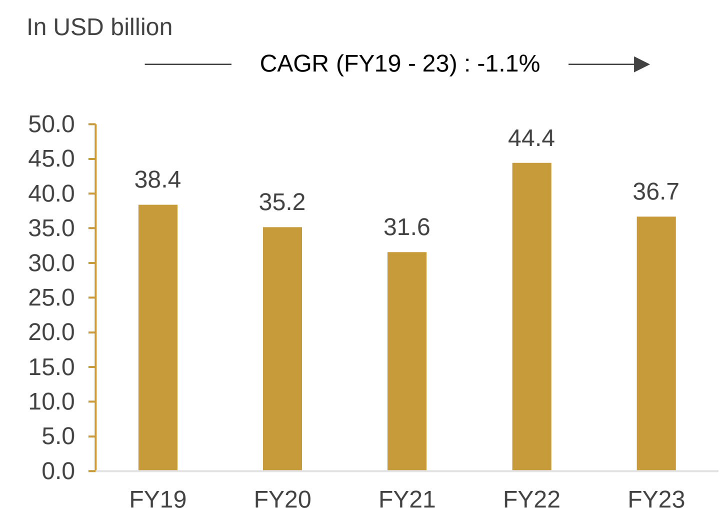
Note: *HS codes used for analysis include: 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 65, 4203, 4303, 4304*

Source: ITU, CRISIL MI&A

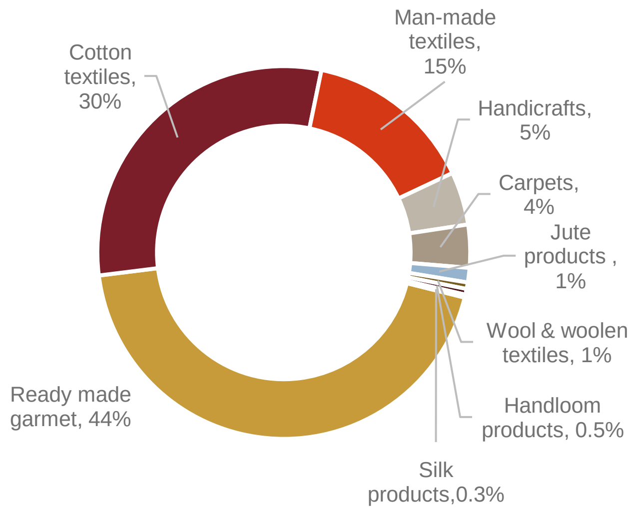
Readymade garments / apparel accounted for the highest share in Indian textile exports in fiscal 2023

India textile and apparel exports declined in fiscal 2020 and 2021, before registering a strong growth of ~41% in fiscal 2022 to reach USD 44.4 billion. Further, in fiscal 2023, exports saw moderation driven by price and slowdown in global market demand. Similar to the global trend, apparel exports contributed the major portion of the Indian textile trade in fiscal 2023. Apparel sales accounted for 44% of the total Indian textile trade in fiscal 2023, followed by cotton textiles and manmade textiles at 30% and 15% respectively.

Textile and apparel exports from India (FY19-23)



Breakup of textile and apparel exports (FY23)



Source: Ministry of Textiles, CRISIL MI&A

US and Bangladesh are major export destinations for Indian textile products

India's textile and apparel products, including handlooms and handicrafts are exported to more than 100 countries across the globe. As of FY23, US, Bangladesh, UK are the top three importers of textile products from India with the combined contribution of 41.2%. Additionally, India and UAE have recently signed a Free Trade Agreement (FTA) and the country is also in the process of negotiating FTAs with other countries/ regions as well which is likely to boost exports of Indian textile and apparels in future by providing competitive edge over other exporting countries.

Top 10 export destinations for Indian textile products (shares as a percentage of total value for that fiscal)

Export destinations for India				
US	26%	27%	29%	28%
Bangladesh	7%	12%	7%	7%
UK	7%	6%	6%	5%
UAE	5%	5%	6%	5%
Germany	2%	2%	3%	3%
France	2%	2%	3%	3%
Netherland	2%	2%	3%	2%
Spain	2%	N.A.	2%	2%
Italy	N.A.	N.A.	2%	N.A.
Sri Lanka	N.A.	N.A.	2%	N.A.

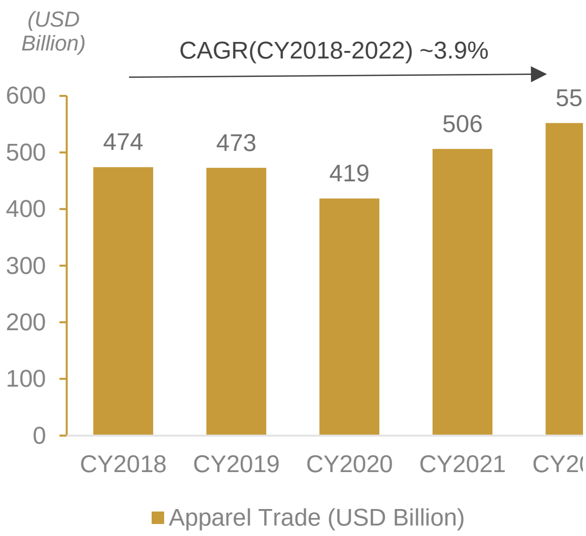
Note: The names of the countries considered is based on the top 10 export destinations for India in fiscal 2023
N.A: The country is not among the top 10 export destinations for India during the period considered
The percentages mentioned in the above table are rounded to nearest whole number
Source: Ministry of Textiles, CRISIL MI&A

India was among top 10 apparel exporters in the world in CY2022

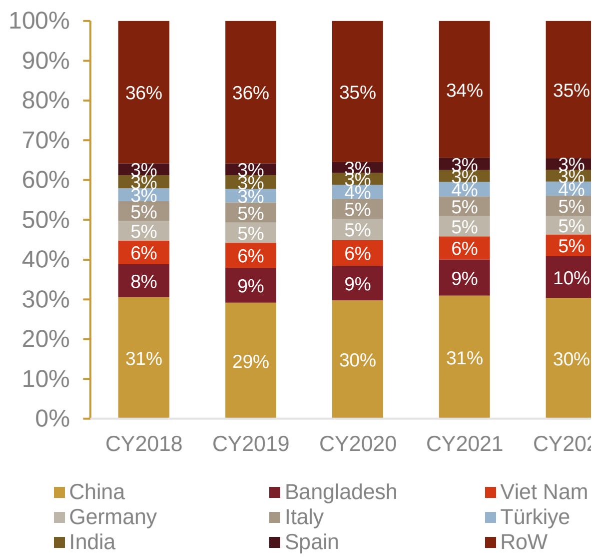
Global apparel trade has expanded at a CAGR of ~3.9% between CY2018 to CY2022 and was valued at ~552 billion USD as of CY2022. Historically, apparel has held the dominant share in the total textile exports (~56% share in CY2022) and the same trend is expected in the near future as well.

Furthermore, China, Bangladesh and Vietnam were the top three exporters of apparels in CY2022 with the share of 30%, 10% and 5% respectively. Meanwhile, India was ranked seventh in CY2022 among the top apparels' exporters in the world with a share of ~3% in the global apparel trade.

Global apparel trade



Share of top apparel exporters

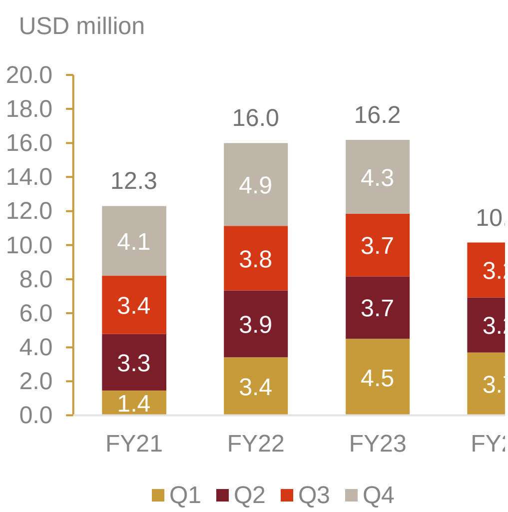


Note: Trade numbers have been calculated on the basis of global export data; HS codes used for analysis include: 61, 62

Source: ITU, CRISIL MI&A

India's apparel exports have seen a CAGR growth of 14.7% between fiscal 2021 to fiscal 2023 driven by pent-up demand post recovery from Covid-19 pandemic. Among the major importing regions from India, EU occupies the largest share (35-38% between fiscal 2020 and fiscal 2023).

Total Indian apparel exports (USD Million)



Region-wise Indian apparel exports (USD Million)

USD Bn	FY20	FY21	FY22	FY23	FY24 (Apr-Dec)
EU	5.8	4.5	5.6	6.1	3.7
NA*	4.6	3.5	5.7	5.9	3.6
UAE	1.7	1.6	1.8	1.2	0.8
Others	3.4	2.7	2.8	3.0	2.0
Total	**15.5**	**12.3**	**16.0**	**16.2**	**10.2**

% share	FY20	FY21	FY22	FY23	FY24 (Apr-Dec)
EU	37%	36%	35%	38%	37%
NA*	30%	29%	36%	36%	36%
UAE	11%	13%	11%	8%	8%
Others	22%	22%	18%	18%	20%

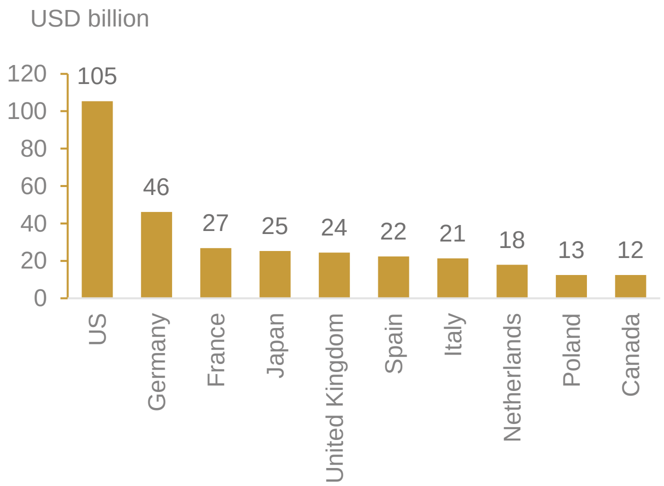
*Note: * NA: North America*

FY24 data is till December 2023
Source: Ministry of Commerce, CRISIL MI&A

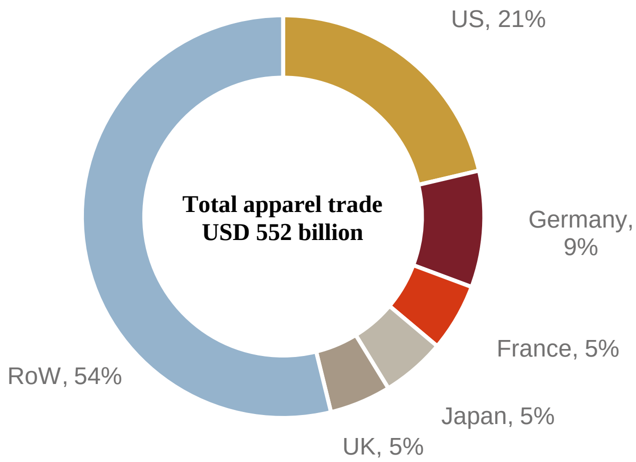
US was the largest apparel importer in CY2022, Germany second largest importer in terms of value

In CY2022, US was the largest importer of apparels at USD 105 billion, followed by European Union (EU) countries like Germany and France at USD 46 billion and USD 27 billion respectively. The major countries which were exporting apparels to US in CY2022 where China, Vietnam, Bangladesh, India and Indonesia. Together, these countries formed ~58% of the total apparel imports to US in CY2022. Major countries exporting apparels to EU are China, Bangladesh, Türkiye, Switzerland, and United Kingdom. Together, these countries contributed to ~59% of the total apparel imports to EU in CY2022.

Top 10 apparel importers (CY2022)



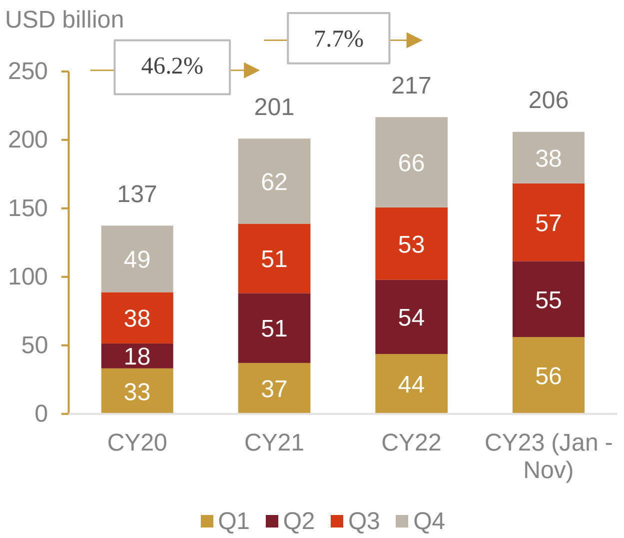
Share of top apparel importers (CY2022)



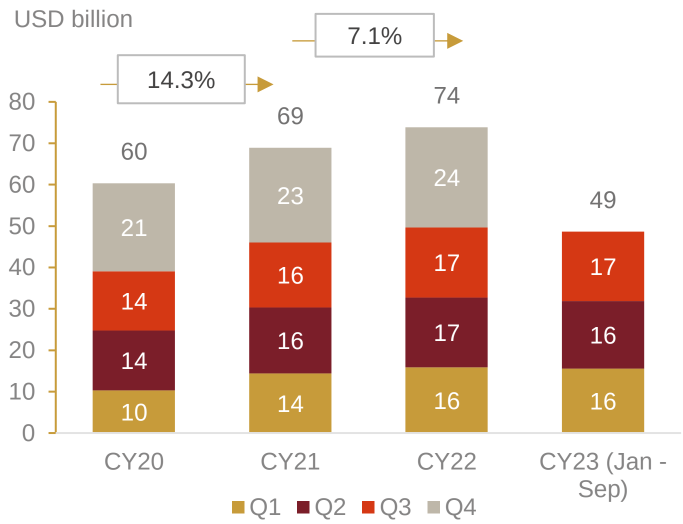
RoW : Rest of World
Source: ITU, CRISIL MI&A

US imports are supported by increasing domestic consumption which can be seen from the growth in clothing retail as well as e-commerce sales.

US clothing retail store sales (USD Bn)



US e-commerce clothing sales (USD Bn)

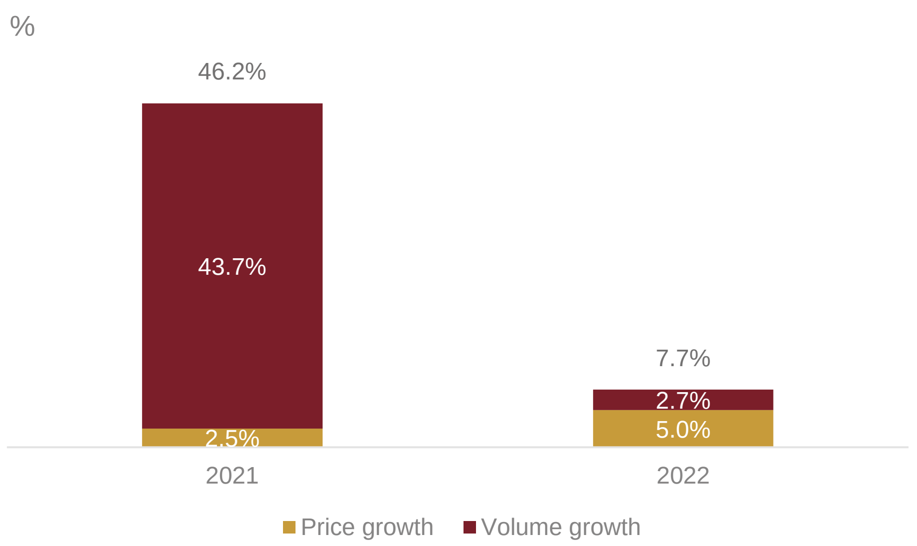


Noted: The above data is as per US Census Bureau accessed on 9th February 2024

Source: US Census Bureau, CRISIL MI&A

Based on inflation data, 46.2% Y-o-Y growth in US clothing retail store sales in CY2021 were majorly driven by volume growth of 43.7% during the period. However, CY22 sales growth (7.7%) were majorly driven by rise in prices.

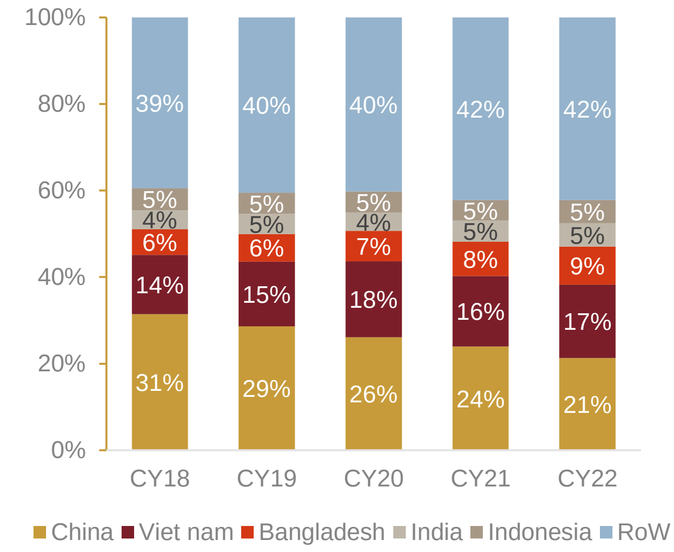
Price vs volume contribution for US clothing retail store sales (CY21 vs CY22)



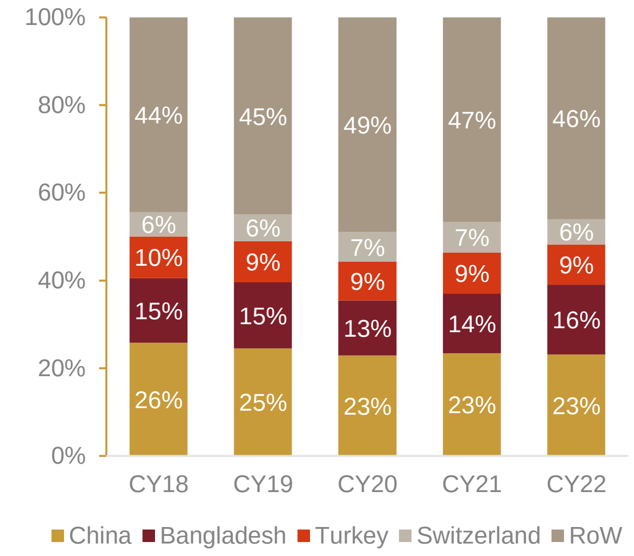
Source: Federal Reserve Economic Data, CRISIL MI&A

Major apparel exporting countries to US and EU

Major apparel exporting countries to US



Major apparel exporting countries to EU



Source: UN Comtrade, CRISIL MI&A

Decline in China's export of apparel to US provides an opportunity to Indian exporters

China is the leading global exporter of apparel, with a market share of 30% in fiscal 2022. Further, it occupies a highest share of apparel exports to US (21% in CY2022). However, there has been a decrease in China's market share as an exporter, from 31% in CY2018 to 21% in CY2022, with Bangladesh gaining share in CY2022. This is primarily due to wage increase and ban by US on imports of cotton and cotton products from Xinjiang region of China. US being one of the largest textile consuming market coupled with being the largest importer of apparel provides an opportunity for Indian exporters to serve as an alternate choice of exporter to the US, which has 21% in global apparel imports.

This coupled with various government initiatives such as PLI Scheme for Textiles, Scheme for Integrated Textile Parks ("SITP"), Export Promotion Capital Goods Scheme, along with incentive packages by various state governments and set-up of mega textile parks, provide further support to Indian exporters.

Further, global knitwear apparel trade (exports for HS codes 611011, 611012, 611019, 611020, 611030 and 611090) has increased at a CAGR of ~5.5% in value terms between CY2018 and CY2022. Noting this increasing demand for knitted apparels globally, there may be opportunity in the apparel exports market for Indian exporters.

India is facing tough competition from Asian countries in terms of cost competitiveness

Indian exporters are losing competitiveness to Asian rivals such as Bangladesh, and Vietnam. The primary reason behind this is the trade agreements among these nations. Further, these countries enjoy better operational efficiencies as compared to India. For example, countries like Bangladesh and Ethiopia fare better than India in terms of labour cost and power cost which account for a considerable portion in manufacturing cost. These factors coupled with availability of low lending rates provides cost competitiveness to these countries. Additionally, Vietnam being a developing member in WTO, cannot offer incentives directly to industries. Hence it offers low lending rates to lure investments in textile sector in country. China also offers very low financing rates to counter the higher wage rates, power cost and water cost.

However, India fares better in providing low water cost as well as higher production capacity but to sustain and to re-gain the lost competitiveness, Indian apparel export need support in terms of export incentives.

Country-wise comparison of various factors in textile industry

Country	Labour cost	Power cost	Water cost	Lending rate	Average production capacity	EDOB Rank (2020)
China	338	141	319	57	129	31
Vietnam	115	82	361	65	129	70
Bangladesh	68	95	117	113	95	168
Ethiopia	50	32	194	76	62	159
India	**100**	**100**	**100**	**100**	**100**	**63**

Note: In the above table India=100 is considered as reference for each parameter and the values for other countries are benchmarked with respect to India, indicating higher than India (if above 100) and lower than India (if below 100).

Source: Invest India, World bank, CRISIL MI&A

India faces stiff competition from Bangladesh and Vietnam

Bangladesh and Vietnam enjoy preferential treatment in major apparel export destinations such as US, Canada, Japan and UK because of trade agreements. It gives them cost competitiveness over Indian exporters. India is actively considering the possibility of Comprehensive Economic Partnership Agreements (CEPAs) and Free Trade Agreements (FTAs) with various countries which can enhance the market size and facilitate exporters in the Indian textile sector. Additionally, countries such as Kenya and Ethiopia benefit from preferential access to the US market under the African Growth and Opportunity Act (AGOA), which grants duty-free status to ~6,700 products for 35 Sub-Saharan African countries. Similarly, EU and Kenya concluded their negotiations for an Economic Partnership Agreement (EPA) on 19 June 2023, which grants duty free access to the EU for all Kenyan exports.

Effectively applied tariffs in apparel trade (2023): HSN 61

Exporters	Canada	Germany	Japan	United Kingdom	US
India	17.5%	9.4%	0.0%	9.4%	14.4%
Bangladesh	0.0%	0.0%	0.1%	0.0%	14.4%
China	17.5%	11.8%	7.7%	11.8%	14.4%
Vietnam	0.0%	2.6%	0.0%	2.6%	14.4%

Source: ITU, CRISIL MI&A

Effectively applied tariffs in apparel trade (2023): HSN 62

Exporters	Canada	Germany	Japan	United Kingdom	US
India	16.8%	9.2%	0.0%	9.2%	10.8%
Bangladesh	0.0%	0.0%	0.1%	0.0%	10.8%
China	16.8%	11.5%	7.2%	11.5%	10.8%
Vietnam	0.0%	3.9%	0.0%	3.9%	10.8%

Source: ITU, CRISIL MI&A

Significant opportunity for India to pick up share in apparel trade

Supply chain

India could serve as the preferred 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.

Additionally, owing to pandemic, many countries across the globe realized the consequences of over-reliance on a single source in the manufacturing sector. In the textiles segment, global brands and retailers have started expanding their manufacturing horizon outside of China. Though the complete decoupling of China's manufacturing value chain may be a distant reality, this would act as an opportunity for India. India stands out to be attractive option in terms of labour costs compared to China. This in conjunction with incentives provided by the Government of India, such as the PLI scheme where Government of India is providing incentives for greenfield and brownfield capacity expansion for both MMF and technical textile segments to propel exports, would prove attractive for foreign players in their path for diversification.

Opportunity in European Union (EU)

India seeking Free trade agreement (FTA) with EU, combined with the possibility that Bangladesh could lose Most-favoured-nation (MFN) status after graduating from LDC (Least developed Countries) in 2026, which could lead to an increase in exports from India to EU. India is working on getting an 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.

In February 2024, the government has also approved the continuation of Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) for export of Apparel/Garments and Made ups up to 31st March 2026, which is expected to positively impact the textile exports. Additionally, events like BHARAT TEX, which is a global textile mega event being organised by a consortium of 11 Textile Export Promotion Councils and supported by the Ministry of Textiles, are expected to increase the awareness of Indian textile sector in international space. Bharat Tex is scheduled from February 26-29, 2024, in New Delhi.

Furthermore, government has setup multiple export councils related to textiles and apparels which are expected to increase the awareness and promote Indian textiles. As of fiscal 2023, there are eleven Export Promotion Councils (EPCs) representing various segments of the textiles & apparel value chain, viz. readymade garments, cotton, silk, jute, wool, power loom, handloom, handicrafts and carpets. These Councils work in close cooperation with the Ministry of Textiles and other Ministries to promote the growth and export of their respective sectors in global markets.

3.4 Key growth drivers and trends for global textile industry

Increasing globalisation	Increasing globalisation coupled with cross broader trade agreements has provided consumers with more options. This, in turn has presented textile traders a boarder market to sell their products to a larger consumer base. Additionally, the influence of e-commerce is also fuelling the growth of cross broader textile sales
Rising per capita income	Per-capita GDP of world is estimated to be ~USD 13,333 in CY2023, compared to USD 12,895 in CY2022 and is projected to improve further to ~USD 14,477 by CY2025. Increasing per capita income will translate to more demand of goods including textiles and apparels and is expected to positively impact the demand.
Changing consumer preference	Changing consumer preference, especially in the younger age group adds to growth in textile demand, especially for apparels. In recent, rise of phenomenon like fast fashion, personalised clothing, limited edition fashion and increasing demand for outdoor clothing and "gorpcore" - is fashion trend where clothing designed for outdoor recreation is worn as streetwear - is also expected to bolster the industry demand.
Macro-economic recovery	The European Union (EU) is among the key regions of exports in the global textile market. As per IMF estimates – January 2024, the GDP for EU is expected to see an upside from 0.5% in CY2023 to 0.9% in CY2024 and further 1.7% in CY2025. Economic recovery is expected to be supported by stronger household consumption and easing inflationary pressures among others. This recovery in the European economy led by an increase in consumption would aid in increasing the exports of textiles, in turn contributing to overall industry growth.
Susbtainability	Sustainability has emerged as one of the prominent trends in the textile industry indicating a transformative shift towards eco-friendly practices. Textile companies are increasingly adopting sustainable practices and supply chain processes to minimise environmental impact. Further, globally there is an increasing preference from consumers, is also promoting industry players to integrate sustainable practices in their business models.
Technology	The textile industry is witnessing growing integration of technology to enhance overall customer experience as well as improve operational efficiency. Recent industrial use of technology such as nanotechnology, pleating, 3D printing and introduction of smart fabrics aid in improving fiber quality, provide customisation and reduce production costs.
Rise in technical textile USge	Technical textiles find their application in multiple end-use segments which include automotive, healthcare, construction, sports and outdoor, and protective clothing. For instance, in the automotive industry technical textile is used in the manufacture of lighter automotive components. With increasing USge of electric vehicles, the requirement of lighter automotive parts increases in turn leading to demand growth for segment. Further, with the growing population and requirement for better healthcare the demand for technical textiles is expected to rise.

Source: CRISIL MI&A

3.5 Key challenges for global textile industry

Growing compliance requirements	Growing awareness of adverse environmental impacts of textile industry, has led to increasing focus on compliance requirements by countries. For example, new rules like Carbon Border Adjustment Mechanism (CBAM) by European Union, which is one of the major textile importers, may impact textile manufacturers. Overall, growing focus to sustainable practices may require shift in overall textile supply chain, from sourcing and labour to packaging and pricing of the final product.

Red Sea trade disruptions	A substantial number of commodities, including textiles, are exported via the Red Sea route. However, frequent trade disruptions in Red Sea, specially post Israel-Palestine conflict have negatively impacted the global trade and commerce. These frequent Red Sea disruptions can negatively impact global textile exports and may lead to increased logistics cost and lead time.
Growing geopolitical instability	Growing geopolitical instability along with growing trade wars may negatively impact global textile trade, which in turn can negatively affect the overall textile industry. Additionally, growing geopolitical instability may also negatively impact the supply chain of companies, besides limiting the market opportunities to textile players.
Carbon emissions	The textile industry's global reach and complex supply chain have posed challenges for sustainability. As per UN Climate Change 2018 estimates, globally textile industry accounts for 10% of the global carbon emission. With brands often outsourcing production, with limited ownership of factories leads to lack of transparency.

Source: CRISIL MI&A

4. An overview of Indian apparel industry

The apparel industry comprises of companies that design and sell clothes, footwear and fashion accessories. The readymade garments (RMG) segment includes shirts, trousers, T-shirts and jeans. It also comprises ethnic wear, such as kurtas, salwar kameez, lehengas and sarees.

The Indian RMG industry is highly competitive and dynamic, due to the presence of several players supplying readymade garments. Historically, the industry has been highly fragmented and dominated by unorganized players.

The term 'garment' is used interchangeably with 'apparel' in this report.

Low capital intensity and high fragmentation

The textile 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.

There are several reasons for the high fragmentation:

Reservation for small-scale industries: Until December 31, 2000, manufacturing of woven garments was reserved for the small-scale sector, while manufacturing of knitted garments was reserved for the small-scale sector until 2004-05, restricting the industry's growth. Manufacturing units could not purchase modern machinery because of the Rs 30 million investment ceiling on plant and machinery, resulting in fragmentation, and hence poor economies of scale. The government de-reserved the woven-garments segment on January 1, 2001. On the other hand, the government recognised the need for attracting large investments and enhancing the competitiveness of the Indian knitting segment through an improvement in scale economies. Finally, in 2004-05, the knitting segment was de-reserved.

Quota restrictions: Exports to the US and the EU were governed by quota restrictions until the beginning of 2005. Within this overall restriction, there was a specific cap that applied to each company. Since no company could increase its exports significantly due to the cap, there was no incentive for expansion.

An overview of various business models in the industry

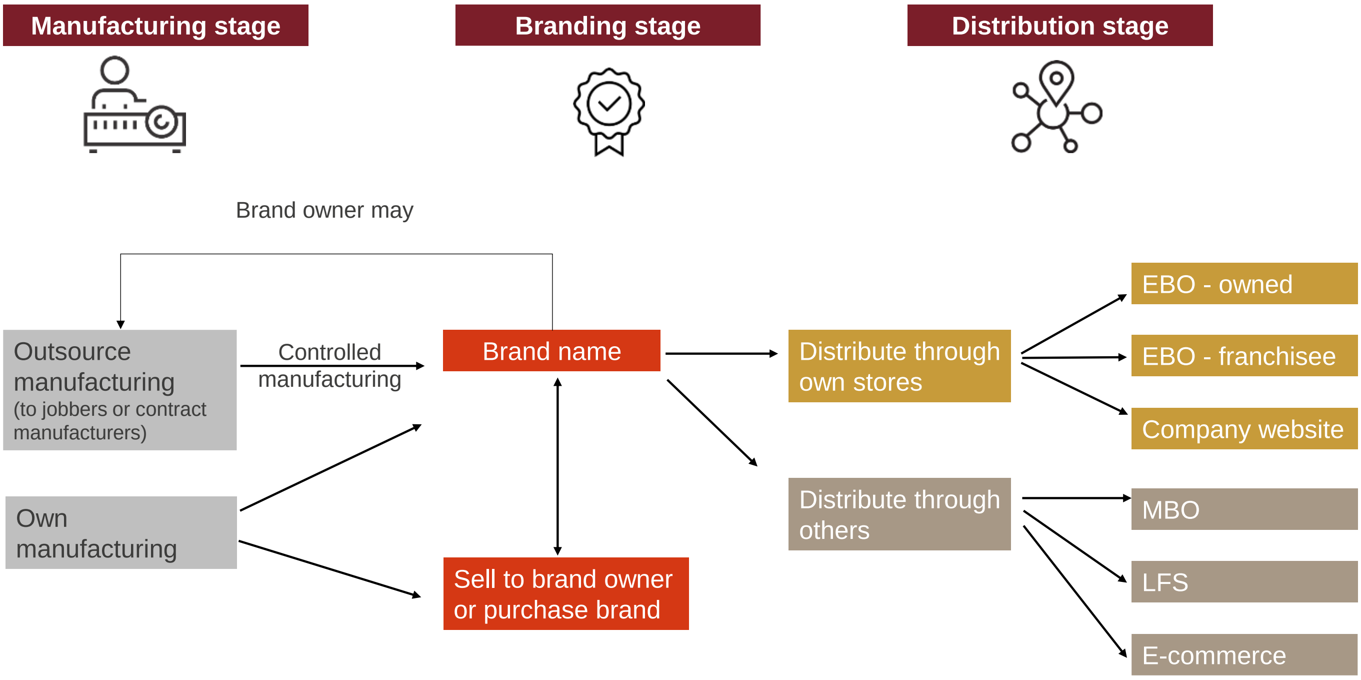
Players adopt various business models, including manufacturing, distribution and branding

Players in the Indian RMG industry adopt a number of business models. They can be differentiated based on the strategy used to manufacture or procure (purchase or outsource) apparel, and the strategy used to distribute it. There is intense competition in the industry among both domestic as well as export players, due to high fragmentation. On the other hand, there is competition in the designer wear and branded-garment segments, due to brand positioning and the niche nature of the market. Thus, the garment industry can be classified into mass market and niche market.

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;

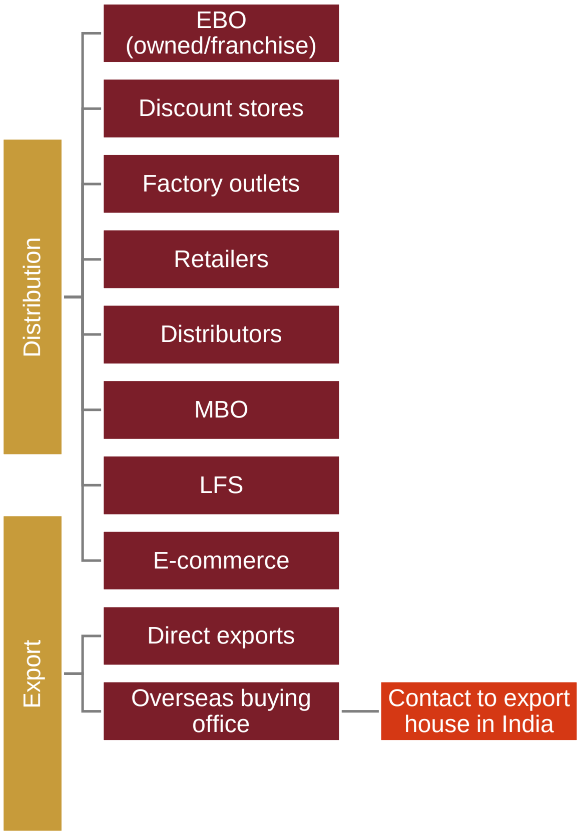
Source: CRISIL MI&A

Players such as Vedant Fashions Ltd (VFL), Aditya Birla Fashion and Retail Ltd (ABFRL), Arvind, Raymond etc. manage their vendors as well as contract manufacturers to maintain the quality and output of apparel. Players also associate themselves with jobbers, which only manufacture for a particular company. Among players who opt to manufacture on their own, the working capital requirement is typically higher. Players who are engaged in in-house manufacturing also need to keep a track on the procurement of raw material and inventory. VFL procures fabrics for manufacturing of major items whether for in-house manufacturing as well as controlled outsource manufacturing.

Distribution channels key for determining the profitability of apparel industry players

A distribution channel is a network of outlets through which a product is sold. A company can sell its products through one or more distribution channels. The selection of a distribution channel(s) is a key management strategy that determines a company's costs and revenues.

Distribution channel



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

Exclusive brand outlets (EBOs)

EBOs or own stores are a direct medium of selling apparel to consumers, wherein garments are sold from owned (or rented or leased) retail shops. The main advantage of selling through this channel is higher realisation on the garments sold since the middle agency for selling apparel to end-users can be bypassed (except for franchisee owned EBOs). The large range display potential also offers another advantage which is getting end-user feedback and insights on their preferences, which can be useful, especially in the case of designer or fashion wear. EBOs also help to give customers a better experience. It not only helps a brand to manage inventory better, but also enables it in customising inventory to suit the needs of customers and create a balance across product portfolios.

Companies such as VFL, FabIndia, Raymonds, Aurelia, Kewal Kiran Clothing, Madura Garments (subsidiary of Aditya Birla Nuvo), Arvind Brands (subsidiary of Arvind Mills), BIBA, and Zodiac Clothing sell apparel through this channel, apart from employing various other channels as well.

Multi-brand outlet (MBO) / large-format stores (LFS)

This distribution channel is gaining momentum in India. In this channel, apparel is sold by an RMG player to multi-brand outlets (MBOs) and large-format stores (LFS) that sell apparel of several brands through large retail spaces, located in prime locations of cities and towns. Usually, the MBOs/LFSs are present in shopping-mall chains or are standalone stores with a presence in more than one location, e.g., Shoppers Stop, Pantaloons Retail, Westside (Trent), Globus, Lifestyle and Pyramid. Realisations from this channel are lower than those earned by selling to retailers, as MBOs/LFS keep higher margins than retailers while purchasing garments, with their costs being higher.

In terms of distribution, RMG players can also sell garments through distributors, which, in turn, sell them either to retailers or MBOs/LFSs. The retailers or MBOs/LFSs sell the apparel to end-users. Since two middle agencies figure between the seller and end-users, realisations from this channel are lower than those earned by selling through retailers, because in this case both the distributor and retailer or MBO/LFS provide for their costs and profits while purchasing an apparel.

Factory outlets

Factory outlets are generally owned by brands and these follow a model similar to discount stores. This concept is used for selling apparel at lower prices to attract large volumes. In some cases, factory outlets are located near the manufacturing units.

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

Key business models employed by key players in the industry

Manufacturing	Branding	Distribution	Company name (brand name)
In-house	Own brand	Own/franchisee stores	Vedant Fashions Ltd. (VFL)*, Arvind, Raymond, Page Industries, VIP (apparels), Kewal Kiran
In-house	Own brand	Other stores	Arvind, Raymond, Page Industries, Rupa, Kewal Kiran
In-house	Licensed brand	Own/franchisee stores	Arvind, Page Industries, Raymond
In-house	Licensed brand	Other stores	Arvind, Page Industries, Raymond
In-house	Sell to a brand owner	-	Pearl global industries, Kitex Garments, Gokaldas Exports
Outsourced	Own brand	Own/franchisee stores	VFL*, Aditya Birla Fashion and Retail Ltd (ABFRL)*, ITC, Trent, Biba Apparels
Outsourced	Own brand	Other stores	ITC, Trent, Biba Apparels, ABFRL*
Outsourced	Licensed brand	Own/franchisee stores	Brand Marketing India
Outsourced	Licensed brand	Other stores	Brand Marketing India
In-house	Own brand	Online platform	Arvind, Raymond, Page Industries, VIP (apparels), Kewal Kiran, Rupa
Outsourced	Own brand	Online platform	VFL*, ITC, Trent, Biba Apparels

Note: The list is not exhaustive and is only representative in nature. Information available for players have been represented based on disclosures available by players. A single player can be a part of multiple business models as well based on models described in the above table

** Indicates that the player engages in controlled manufacturing or through dedicated jobbers*

Source: CRISIL MI&A

4.1 An overview of the apparel market in India

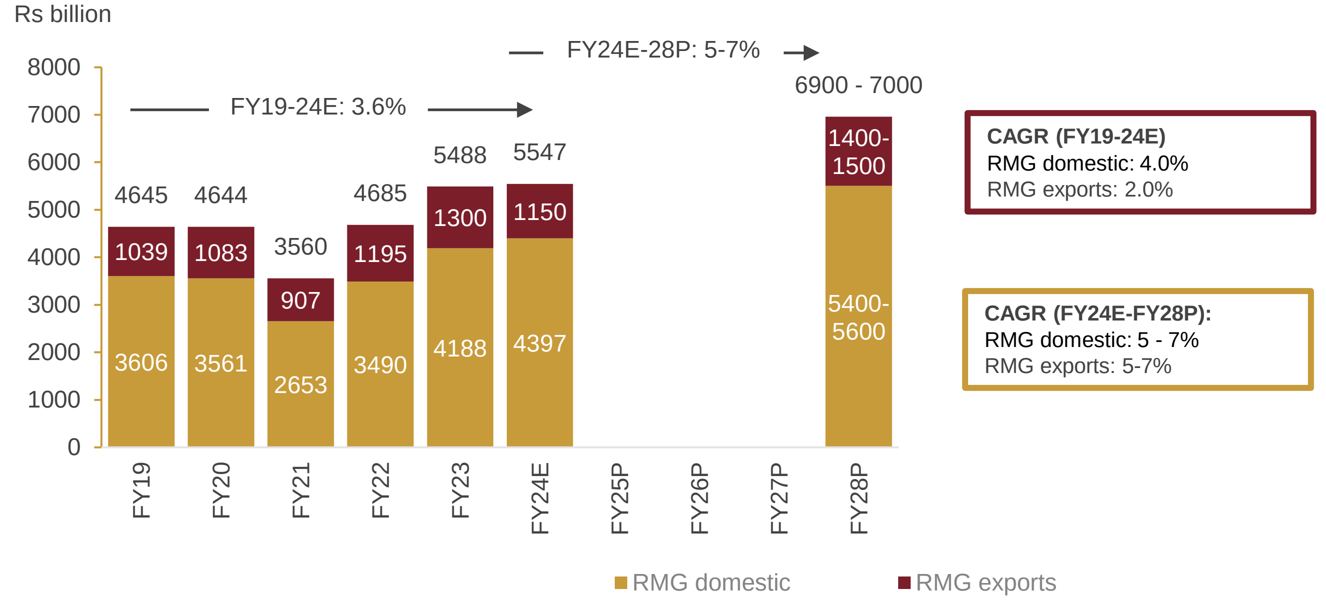
Apparel industry (production value) is expected to be driven by domestic demand while exports recover at a slower pace

Over the years, domestic demand has contributed to 75-80% of Indian RMG production market. As of fiscal 2019, RMG production was valued at Rs. 4,645 billion. Growth remained flat in fiscal 2020 and the industry faced a slowdown in fiscal 2021 (23.3% degrowth on a y-o-y basis) as the demand was impacted due to Covid-19 leading to low discretionary spending, delays in the opening of malls and lower footfalls in stores. The industry saw an uptick in fiscal 2022 (31.6 % y-o-y growth), driven by lower base, bouncing back of economic activity and pent-up demand post covid pandemic. The growth continued in fiscal 2023, with the industry growing at 17.1% Y-o-Y, on account of revival in economic activity along with reopening of offices, schools and other enterprises.

In fiscal 2024, the industry is estimated to see a growth of ~1.1%. Though the domestic demand – excluding imports is estimated to see a growth of 5.0%, the growth in overall industry (production value) is expected to be constrained due to an estimated fall in exports (~11.5%) due to demand slowdown in major importing regions such as US and EU. Between fiscals 2019 and 2024, RMG production is estimated to have grown at a CAGR of 3.6%.

Further, going ahead, the RMG production value is expected to register a growth of 5-7% between fiscals 2024 and 2028, driven by domestic demand supported by rising population, income levels, increasing e-commerce penetration and favourable demographics.

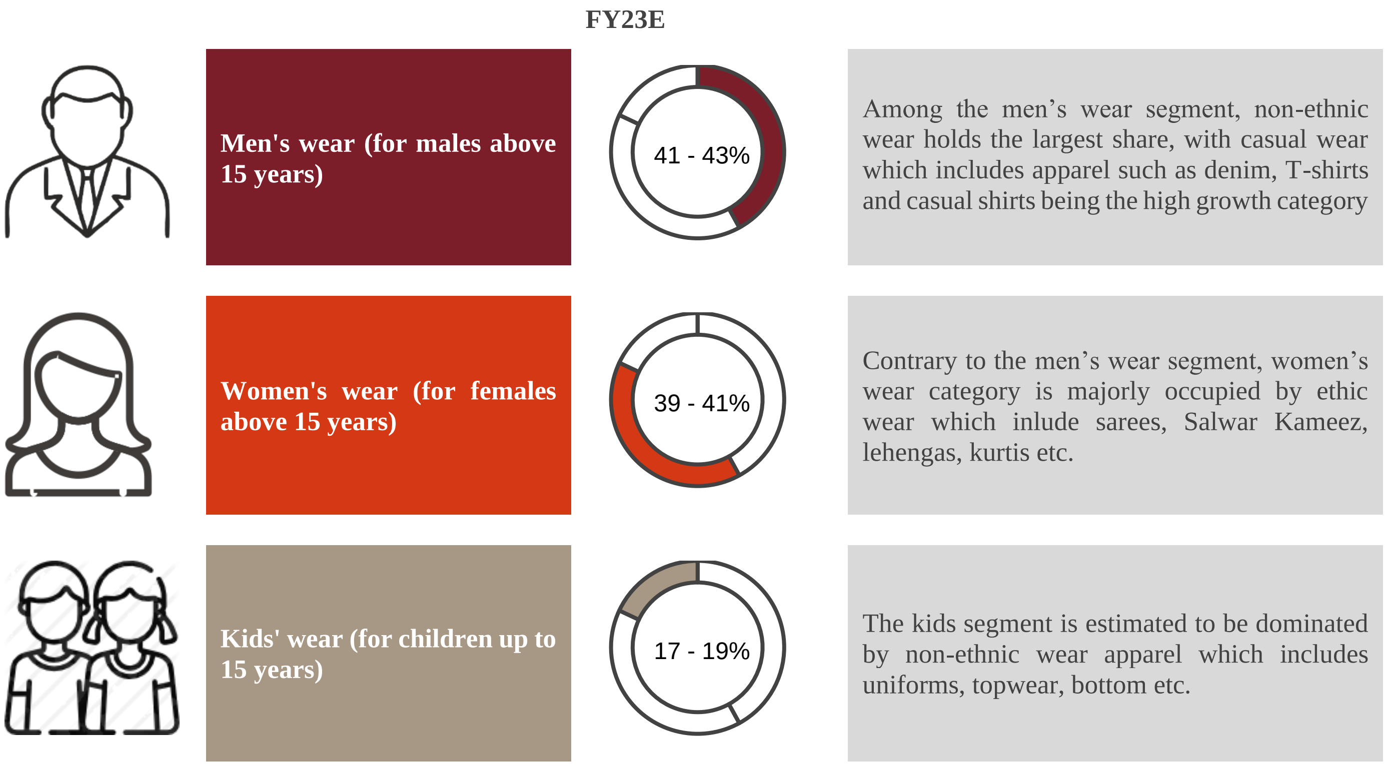
Trend in Indian apparel industry - production



Note: HS codes 61 and 62 are considered

Source: CRISIL MI&A

The apparel industry can be segregated into three main segments



Source: CRISIL MI&A

4.2 An overview of the Indian apparel export market

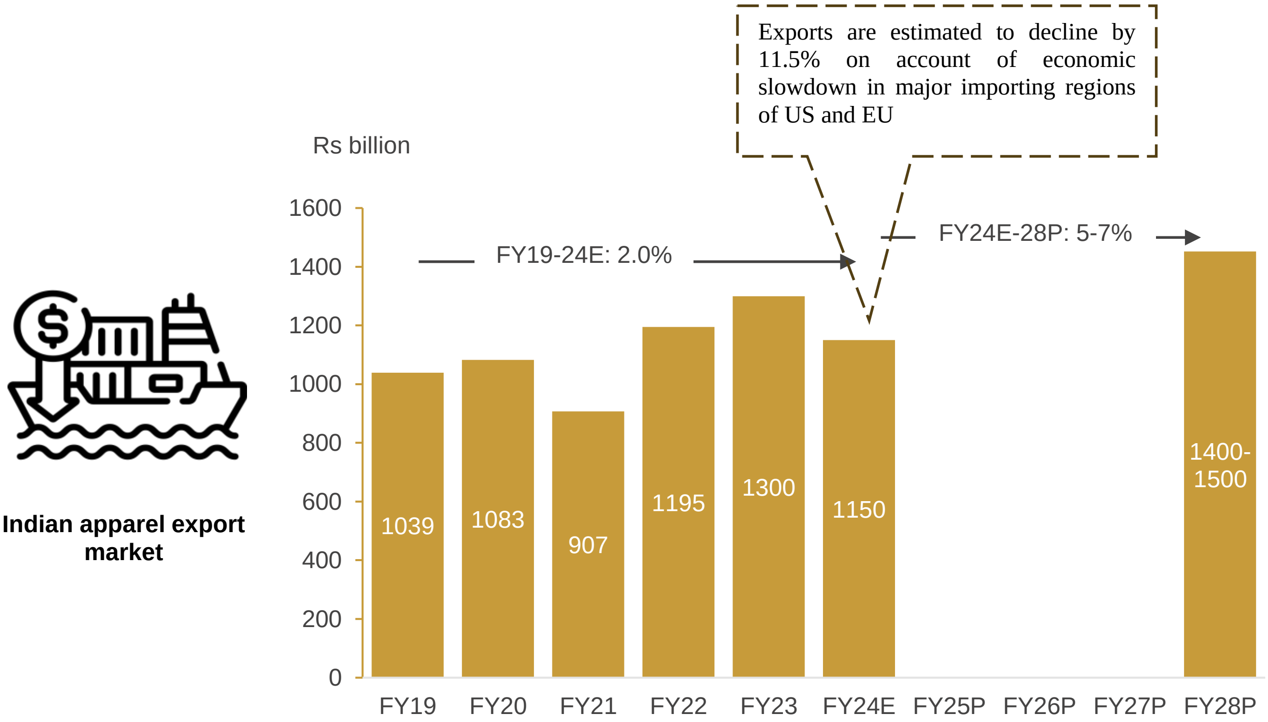
Apparel exports to see an uptick in long-term with revival in global economic activity

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. India was ranked seventh in CY2022 among the top apparels' exporters in the world with a share of ~3% in the global apparel trade. Moreover, the presence of low-cost labour is favourable for major brands to manufacture apparel in the country. Further, as of fiscal 2023, US (29%) and EU (38%) are the major export destinations for Indian apparel trade.

In fiscal 2024, the exports are estimated to see a decline of 11.5% on a Y-o-Y basis due to weak demand in major global importing regions of US and EU. Apparel exports from India are estimated to have seen a growth of 2.0% from fiscal 2019 to fiscal 2024.

Going ahead, the apparel exports are expected to grow at a CAGR of 5-7% between fiscal 2024 and 2028, owing to the gradual demand revival in US and EU regions, favourable domestic prices aiding global competitiveness of Indian exporters coupled with low base effect.

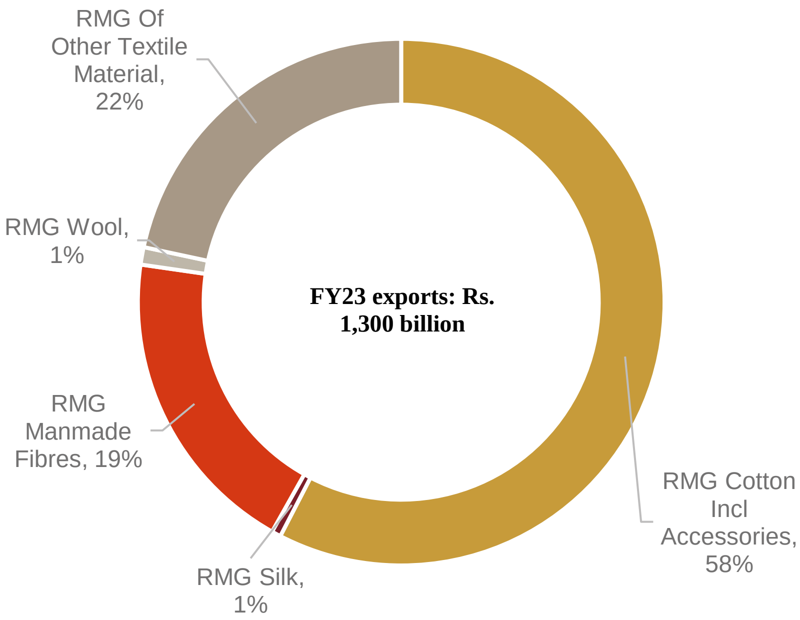
Trend in Indian apparel exports



Note: HS codes of 61 and 62 are considered

Source: CRISIL MI&A

Cotton is the most preferred fiber within apparel exports from India



As of fiscal 2023, of the total exports of RMG, cotton is most preferred fibre with a share of 58% - this includes accessories as well - followed by Man-made fibre at 19% Further, the share is expected to remain in a similar range in fiscal 2024, as per the data published till December 2023.

Source: Ministry of Commerce, CRISIL MI&A

4.3 An overview of government policies and regulatory framework in the industry

Foreign Trade Policy for 2015-20

On April 1, 2015, the government announced the new Foreign Trade Policy (FTP) for 2015-2020. This policy provides a framework for increasing exports of goods and services with a target of USD 900 million by 2020. 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% to 5%, compared with 5% to 10% earlier.

Merchandise Exports from India Scheme (MEIS), targeting the export of specified goods to specified markets. The rates of rewards under MEIS will range in 2-5%, compared with 2-7% earlier.

Some of the policy highlights are as follows:

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 fiber yarn as well as woven and knitted fabric is applicable only for exports to the EU, the US, Canada, and Japan.

Remission of Duties or Taxes on Export Product (RoDTEP)

The government of India introduced a new scheme, named RoDTEP, in September 2019 and released a budget allocation of Rs 500 billion by March 13, 2020, in a move to replace Merchandise exports from India Scheme (MEIS) (which ends in December 2019) and RoSL (only refunds state taxes). The new scheme is in terms with the conditions of the WTO, where incentives cannot be provided, but the taxes incurred during the process can be refunded. Hence, the government plans to refund all state (RoSL) and Central government taxes incurred by the export players during the manufacturing process of RMG. According to the government, this new scheme would "adequately compensate" for the current 6% (4% MEIS and 2% RMG) benefits being availed of by the RMG exporters and help them stay competitive enough in the international trade market.

The refunds under the RoDTEP scheme would be a step towards “zero-rating” of exports, along with refunds such as Drawback and IGST. Currently, GST and import/customs duties for inputs required to manufacture exported products are either exempted or refunded. However, certain taxes/duties/levies are outside GST, and are not refunded for exports, such as, VAT on fuel used in transportation, Mandi tax, and duty on electricity used during manufacturing. These would be covered for reimbursement under the RoDTEP scheme. As and when the rates under the RoDTEP scheme are announced for a tariff line / item, the MEIS benefits from such tariff line/item will be discontinued.

	FY19	FY20	FY21	FY22	May 1, 2023 onwards
Duty drawback	~2%	~2%	~2%	~2%	~2%
MEIS	4%	4%	4%	4% till Sep 2021 only	--
RoSL	2%	--	--	--	--
RoSCTL / RoDTEP	-- /--	4%/--	4%/4%	4%/4%	~1-3.1% on certain line items
Total	~8%	~10%	~10%	~6-10%	~3-6%

Source: CRISIL MI&A

The National Textile Policy

Government policies have largely been favorable for the textile industry. The National Textile Policy (NTP) aims to ensure the industry is globally competitive in terms of manufacturing practices and exports. The last NTP announced in 2000 had the following objectives:

Facilitate the textile industry’s efforts 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

Liberalise controls and regulations to ensure 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 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 upgradation and diversification

Sustain and strengthen traditional knowledge, skills, and capabilities of our weavers and craftsmen

To achieve these objectives, changes were made to fiscal and non-fiscal policies that affect the textile industry, and new incentives and initiatives were rolled out for the sector.

Earlier, the garment industry was reserved under the small-scale industrial sector, restricting its growth. Units could not bring in modern machinery due to a ceiling of Rs 30 million imposed on plant and machinery, resulting in poor economies of scale. However, the industry was de-reserved a few years ago with the woven sector liberalised in Union Budget 2003-04 and the knitwear sector in Union Budget 2004-05. This was an important step towards achieving the objectives of NTP 2000.

Technology Upgradation Fund Scheme

The textile industry is capital-intensive and high interest rates in India hindered investments in the 1990s. Hence, the Ministry of Textiles launched the Technology Upgradation Fund Scheme (TUFS) in 1999 to upgrade technology at textile units. The government set aside Rs 250 billion under TUFS to support textile projects. Commencing on April 1, 1999, the scheme initially provided a 5% interest subsidy on loans taken from specified institutions for all segments within the textiles value chain. However, spinning benefited the most through TUFS. As of June 2012, spinning mills received 29% of the total funds disbursed under the scheme. The government decreased the interest rate subsidy on spinning machinery from 5% to 4% in 2011 to channelise higher investments into weaving and processing, which are important for the garment sector's growth. The interest benefit to standalone spinning units was further reduced to 2% in October 2013 under the updated scheme. Later, R-TUFS was updated and named the Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS) with effect from April 1, 2012.

The government approved the 'Amended Technology Upgradation Fund Scheme (ATUFS),' a new scheme on January 13, 2016. The scheme provides a one-time capital subsidy for investments in the employment- and technology-intensive segments of the textile value chain. Every individual entity will be eligible for a one-time capital subsidy as per the rates and the overall subsidy cap is indicated below.

Sl no	Segment	Rate of capital investment subsidy	CIS per individual entity
1	Garmenting technical textiles	15% of eligible machines	Rs 0.3 billion*
2	Weaving for brand new shuttle less looms (including weaving preparatory and knitting), processing, jute, silk and handloom	10% of eligible machines	Rs 0.2 billion*
3 (a)	Composite unit/multiple segments -if the eligible capital investment with respect to garmenting and technical textiles category is more than 50% of eligible project cost	15% of eligible machines	Rs 0.3 billion*
3 (b)	Composite unit/multiple segments -if the eligible capital investment with respect to garmenting and technical textiles category is less than 50% of eligible project cost	10% of eligible machines	Rs 0.2 billion*

Note: In case the applicant had availed a subsidy earlier under RR-TUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity*

Source: CRISIL MI&A

An allocation of Rs 178.2 billion has been approved for seven years to meet the committed liabilities of Rs 126.7 billion and Rs 51.5 billion for new cases under ATUFS. The scheme removed the interest subsidy for capital investments and placed a cap on capital subsidy. For apparel, garment, and technical textiles, a 15% subsidy is to be provided on a capital investment up to a cap of Rs 0.3 billion. The remaining sub-sectors would be eligible for a 10% subsidy, subject to a ceiling of Rs 0.2 billion on similar lines.

The ministry notified the Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS to incentivise production and employment generation in the garment sector vide resolution dated July 25, 2016. The additional incentive of 10% will be provided to garment units that avail the 15% Capital Investment Subsidy (CIS) under ATUFS for the installation of eligible benchmarked machinery after a period of three years. The cap on CIS for eligible machinery in garment units has therefore been enhanced from Rs 0.3 billion, which was the cap under ATUFS, to Rs 0.5 billion. This additional subsidy of 10% will be provided when the projected production and employment generation targets are achieved.

As per FY25 Union budget, the scheme has been allocated the highest budget within the Textile Ministry at ~Rs 7 billion. The same amount was allocated to the scheme in FY24 as well.

Special Package for Job Creation & Export Promotion in the Apparel Sector

The Ministry of Textiles on June 22, 2016, rolled out a special package of measures to support the apparel sector and enable it to improve its global competitiveness. Jobs for 1 crore people, mostly women; USD30 billion in exports; and investment worth Rs 740 billion are the expected outcomes of the special package over the next three years.

The measures assume significance also due to their potential for social transformation through women empowerment. Since 70% of the workforce in the garment industry are women, the majority of the new jobs created are likely to go to women. The special package includes a slew of labor-friendly measures that would promote employment generation, enable economies of scale, and boost exports.

The salient features of the package are:

- Employee Provident Fund Scheme Reforms: The Government of India will bear the entire employer's contribution of 12% under the Employers Provident Fund Scheme for new employees of the garment industry earning less than Rs 15,000 per month for the first three years. Further, EPF will be made optional for employees earning less than Rs 15,000 per month.

- Increasing overtime caps: Overtime hours for workers not to exceed 8 hours per week in line with International Labour Organisation norms.
- Introduction of fixed-term employment: Considering the seasonal nature of the industry, fixed-term employment will be introduced for the garment sector.
- Additional incentives under ATUFS: The subsidy provided to garment units under Amended-TUFS is being increased from 15% to 25%, providing a boost to employment generation.
- Enhanced duty drawback coverage: In a first-of-its-kind move, a new scheme will be introduced to refund the state levies which were not refunded so far. A drawback at All Industries Rate will be given for domestic duty paid inputs even when fabrics are imported under Advance Authorization Scheme.
- Enhancing scope of Section 80JJAA of Income Tax Act: Looking at the seasonal nature of garment industry, the provision of 240 days under Section 80JJAA of Income Tax Act would be relaxed to 150 days for the garment industry drainage.

Scheme for Integrated Textile Parks

The Scheme for Integrated Textile Parks (SITP) was launched in 2005 to provide state-of-the-art infrastructure facilities for setting up textile units. This scheme provides textile units infrastructure, including power, water, roads, and drainage system, and assistance to meet environmental norms. It is expected to attract considerable investments to set up huge integrated textile facilities. This is a positive step towards making India a hub for textile products. As per union budget 2021-22, the government had allocated Rs 800 million (budgeted estimate) under SITP.

Customs duty

The customs duty on readymade garments is 20%. Home textiles is high at 20% for some HS codes, while it is 10% for some HS codes. Fabrics and cotton yarn is also high at 10%. These duties are high to protect the indigenous industry from imports. Consequently, there are hardly any imports of readymade garments in India.

Overview of customs duty on various textile and apparel imports

Duty	**FY20**	**FY24 (May 1, 2023 onwards)**
Natural fibers		
Cotton	0%	5%
Fiber intermediates		
PTA, MEG	5%	5%, 7.5%**
Para xylene	0%	0%
Fiber/Filament		
Polyester staple fiber	10%	2.5%, 5%**
Viscose staple fiber	10%	2.5%, 5%**
Yarn		
Cotton yarn	10%	10%
Partially oriented yarn	10%	2.5% , 5%**
Viscose filament yarn	10%	5%
Fabrics	*10%	10%
Garments	*10%	20%
Home textiles	*10%	10%, 20%**

Note:

** Attracts ad valorem rate or specific rate whichever is higher, **varies based on HS codes*

Source: Industry, CRISIL MI&A

Key government measures in the textile sector

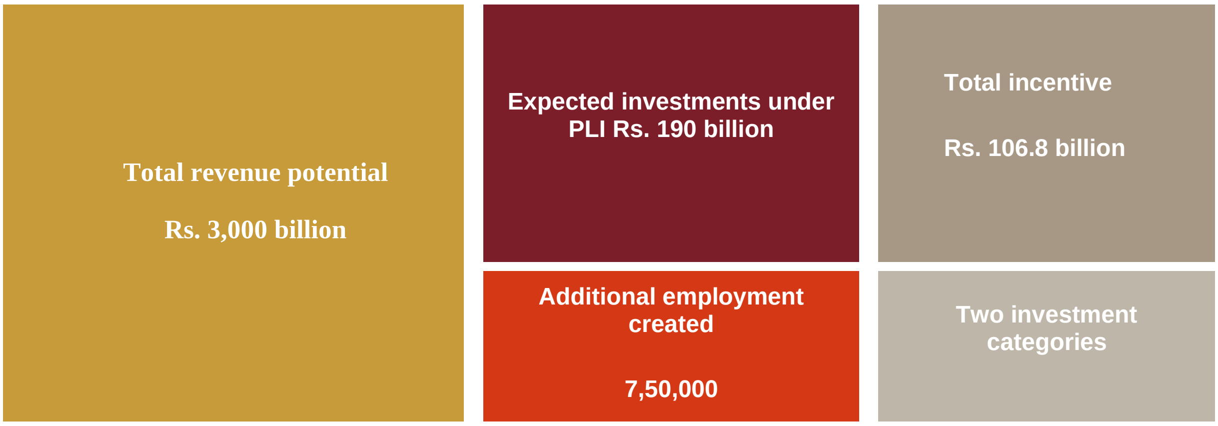
Performance-linked incentive (PLI) scheme

The PLI scheme, announced in Union Budget 2021-22, has an outlay of Rs 1.97 trillion. The government has given the textile sector, which is one of 13 sectors included under the scheme, Rs 106.8 billion in incentives. The scheme is estimated to generate a cumulative turnover of over Rs 3 trillion while attracting fresh investment of Rs 190 billion over the next five years. The scheme is also expected to generate more than 7.5 lakh jobs in the textile sector and supporting activities. The scheme will focus on promoting high-value MMF-based fabrics, garments and technical textiles in country. The scheme will also encourage the introduction of new capacities in India. Hence, it will help address the growing demand for the MMF segment by generating more employment and supporting India's share in global textiles trade by increasing the export potential of MMF-based garments.

The scheme will offer different incentives for two categories of investments in the textile sector. The first category includes investments of minimum of Rs 3 billion in plant, machinery, equipment, and civil works, excluding land and administrative building cost to produce MMF fabrics, garment and technical textile line-related products. The second category will include investment of minimum Rs 1 billion by any person, firm, or company to participate under the scheme.

Investments in tier 3 and 4, cities along with rural areas and aspirational districts, will be given priority under the scheme. As a result, there will be a positive impact for states such as Gujarat, Uttar Pradesh, Maharashtra, Tamil Nadu, Punjab, Andhra Pradesh, Telangana, and Odisha.

Opportunities in textile sector from PLI scheme



Source: CRISIL MI&A

MMF-based RMG exports account for ~20% of Indian RMG exports; however, the share is higher at 55-60% globally. The share of China, Bangladesh and in MMF-based RMG exports was ~38%, ~9% and ~6%, respectively, in CY2022, while the share of India was a mere 3%.

PM- Mega investment textile parks scheme (PM-MITRA)

The Government of India announced the establishment of 7 mega textile parks in the next 3 years over 1,000-acre land to boost production and support export competitiveness. The Government has approved setting up of 7 (Seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites with world class infrastructure including plug and play facility with an outlay of Rs. 44.5 billion. The scheme will help strengthen the Indian textile industry by through scale of operations, reduce logistics cost by housing entire value chain at one location, attract investment, generate employment and augment export potential. The scheme envisages to develop integrated large scale and modern industrial infrastructure facility for total value-chain of the textile industry for example, spinning, weaving, processing, garmenting, textile manufacturing, processing & printing machinery industry. Nearly Rs. 700 billion of investment is expected in these Mega Parks.

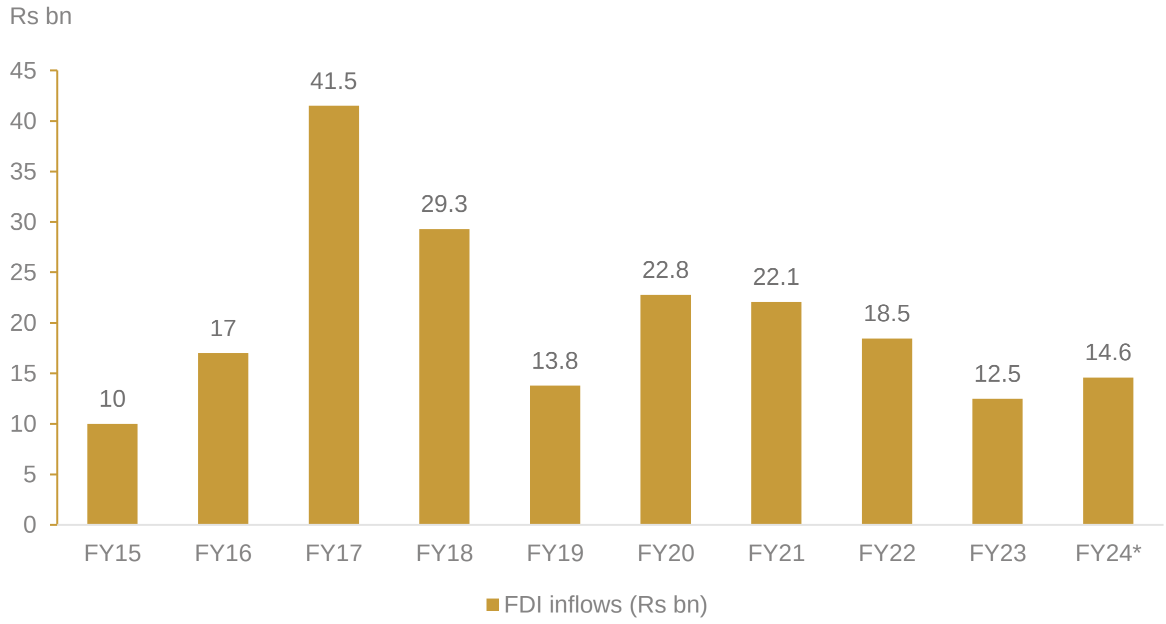
As of December 2023, 18 proposals from 13 States have been received including one from Rajasthan. The Government has finalised 7 sites viz. Tamil Nadu (Virudhnagar), Telangana (Warangal), Gujarat (Navsari), Karnataka (Kalaburagi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow) and Maharashtra (Amravati) for setting up PM MITRA Parks. So far till December, special purpose vehicle (SPV) has been incorporated in the states of Uttar Pradesh and Gujarat, while the process of SPV formation in the states of Madhya Pradesh and Tamil Nadu is at an advanced stage of incorporation. Process for SPV formation in other states has been initiated.

Liberalisation of FDI in textile sector

To enable investors to set up manufacturing plants in India, the government has allowed 100% FDI in the textile sector under the automatic route. FDI in textile sector has grown over the years led by the collaboration between foreign players and Indian manufacturers. In recent times, policies introduced by the government such mega textile parks have also supported FDI inflows into the country.

Over the past few years, foreign players such as Hugo Boss, Liz Claiborne, Diesel and Kanz have started operations in India, boosting FDI investments in the sector. The industry attracted FDI of Rs 272.1 billion (USD 4,340.7 million) between April 2000 and September 2023, accounting for ~1.7% (In rupee terms) of the overall FDI flow into the country during the period.

FDI in textiles (including dyed and printed)



** Data for FY24 is as of September 2023*

Source: DPIIT, CRISIL MI&A

Free Trade Agreements (FTAs)

In a globalised economy, FTAs boost a country's exports. FTAs boost export volumes, improve sectoral growth and increase business opportunities for small and large players. The major advantages of FTAs come in the form of reduced or zero tariffs between member countries, improved access to the global market, better competition and innovation among domestic players and technology transfer.

Although India has been part of many FTAs, the domestic textile sector has not been able to reap the benefits. This can be mainly attributed to lack of FTAs with the US and the EU, which account for a major part of Indian textile exports. For instance, Bangladesh enjoys an import tariff of 0% on RMG trade to UK due to FTAs, whereas India faces an import tariff of close to 10%.

That said, to improve incentives to export textiles, the government has been working on FTAs with the EU, the United Kingdom (UK), Australia and Canada. Free trade agreement talks with the UK are on their final stages as of February 2024.

If signed, these trade agreements spanning various countries will boost India's textile exports.

Advance Licensing Scheme

The Advance Licensing Scheme allows duty-free import of raw materials to be used in goods that are exported to encourage exports.

Export Promotion Capital Goods Scheme (EPCG)

The EPCG Scheme, initiated in the 1990s, aims to boost India's international manufacturing competitiveness by facilitating the duty-free import of capital goods which are require in pre-production, production, and post-production activities. Manufacturers can benefit from this scheme, importing these goods without incurring customs duty. To maintain this duty exemption, the importer must achieve an export value six times the duty saved on the imported capital goods within six years from the authorization date. This implies that the importer (being export-oriented) needs to have earnings in foreign currency equivalent of 600% of the customs duty saved in domestic currency, within 6 years of availing benefits of the scheme.

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

4.4 SWOT analysis for Indian apparel industry

S (Strength)	• Cotton is the most used fibre in the manufacturing of apparel. India being one of the largest producers of cotton globally, provides manufacturers better access to raw material. • To support and propel the growth of textile industry in India, Government of India (GoI) has introduced various initiatives and schemes towards development of infrastructure and bolster the exports. These include PM – MITRA, SAMARTH, PLI, Amended Technology Upgradation Fund Scheme (ATUFS), extension of RoSCTL till 2026 among others. Additionally, many state governments providing incentives in setting up manufacturing facility further aids the sector. • FTAs provide major boost to export trade. Over the years, India has entered into FTAs with various countries, which aids apparel exporters to be competitive in international markets. In December 2023, India has entered into an FTA agreement with Australia.
W (Weakness)	• The apparel industry in India is highly fragmented in nature with large number of unorganised players. Coupled with this, lower capital requirement of apparel industry when compared other segments of the textile value chain makes the industry highly competitive. • The apparel industry faces challenges due to constantly shifting consumer preferences, which add to the complexity of manufacturers. Consumers preferences for styles, colors and designs evolve rapidly, making it difficult for apparel manufacturers and retailers to predict and meet the demand accurately. • India is one of the top ten exporters of apparels globally. However, the exports from India to the top importing regions of US and EU face higher import charges when compared to other major exporting nations like Vietnam, Bangladesh, and Pakistan
O (Opportunities)	• Currently India is negotiating FTA agreements with EU and UK, which would aid the exports as EU constitutes to 38% of India apparel exports as of fiscal 2023 • Share of Chinese apparel exports to US (largest importer) is seeing a declining trend due increase in wages for Chinese labour and ban by US on cotton and cotton products from Xinjiang provenance of China. This provides opportunity for Indian exporters to capture the US export market. • Crude oil is a major raw material in the manufacturing of man-made textiles. With rise in prices for two consecutive years, crude oil prices have stabilised in fiscal 2023. Further, cotton prices are also expected to decline in fiscal 2024 owing to higher production. These raw material price stabilising would further aid the manufactures in catering to domestic demand and be competitive in export markets. • GoI initiative towards attracting investments in MMF and technical textile through PLI scheme to further aid sectoral growth.
T (Threats)	• Frequent Red-sea issues arising due to Israel-Palestine conflict have negatively impacted the global trade and commerce. This has led to an increase in insurance costs, and choosing alternative routes has resulted in delayed delivery, capacity crunch, and increased costs • Apparel purchases being dependent on discretionary spending, any resurgence of the COVID-19 pandemic, spread of any new variant of COVID-19, or spread of any other epidemic in future may result in adverse impact on the industry • The changing dynamics of the fashion industry pushes apparel retailers to desire low cost and flexible design, quality, and speed to market, to be in a profitable position. Thus, the apparel industry is affected by changes in consumer preferences, national, regional and local economic conditions and demographic trends which also pushes the manufacturers to keep adjusting as per the changes

	• Geopolitical tensions and prolonged strained relations between countries (e.g. US-China, China-India) could have an adverse impact on trade relations between the countries

Source: CRISIL MI&A

5. Competitor analysis

In this section, CRISIL MI&A has analysed some key players operating in the Indian readymade garments (RMG) industry which are focused on non-retail segment. Data has been obtained from publicly available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites and social media pages. Financials in the competitive section have been re-classified by CRISIL, based on annual reports and financial filings by the relevant players. Financial ratios used in this report may not match with the reported financial ratios by the players on account of standardisation and re-classification done by CRISIL.

Note: The list of competitive landscape peers considered in this section is not exhaustive but an indicative list. Only some readymade garments manufacturers focused on non-retail segment within a comparable revenue range (Rs 10,000 million- Rs 85,000 million) of Gokaldas Exports Ltd offering similar product portfolio have been considered in this segment. For example, companies like Aditya Birla Fashion and Retail (ABFRL), Reliance Retail, etc have not been considered because their revenue is higher than the revenue range considered and they cater to RMG and retail segment and have different products / service portfolio.

5.1 Operational Overview

Overview of key players

Player	Incorporation year*	Geographical presence**	Overview
Arvind Ltd.	1931	National: 14 states International: 20 countries	Arvind Limited has experience of more than 90 years of experience in textiles space. Arvind Fashions, a Lalbhai Group company also manages global apparel brands like Tommy Hilfiger, U.S. Polo Assn, Calvin Klein, Arrow and Flying Machine.
Gokaldas Exports	2004	National: 2 states International: 50+ countries	Gokaldas Exports Limited is a garment manufacturer and exporter based in India, engaged in the end-to-end garment business right from design, manufacture and sale of a wide range of readymade garments, for all seasons, (outerwear, activewear and fashionwear) for men, women and kids.
K. P. R. Mill Ltd	2003	National: 15 states International: 60 countries	KPR Mill is one of the vertically integrated mills in India with diversified business focus spanning across yarn, fabrics, garments and white crystal sugar.
Pearl Global Industries Ltd	1989	National: 2 states International: 7 countries	Pearl Global Industries Limited is engaged in manufacture and exports of ready to wear apparels. The company has global presence in South Asia, America, Europe and United Kingdom and Europe.
S. P. Apparels Ltd	2005	National: N.A. International: 2 countries	S.P. Apparels Limited is one of the manufacturers and exporters of knitted garments for infants and children in India. The company entered retail market by acquiring major stakes in “Crocodile” and became the manufacturer and retailer of Crocodile menswear in India.

Raymond Ltd	1925	National: 27 states International: 90+ countries	Raymond Limited caters to both B2B (Business to Business) and B2C (Business to Customers) markets and on a pan-India basis. The company has a portfolio of sub-brands such as Raymond Ready to Wear, Park Avenue, Ethnix etc.
Retail Focused Players			
Aditya Birla Fashion and Retail Ltd.	2007	National: 28 states + 4 Union Territories International: The Middle East, USA	Aditya Birla Fashion and Retail Ltd (ABFRL) is the part of Aditya Birla group. ABFRL emerged after the consolidation of the branded apparel businesses of Aditya Birla Group, comprising ABNL's Madura Fashion division and ABNL's subsidiaries Pantaloons Fashion and Retail (PFRL) and Madura Fashion & Lifestyle (MFL), in May 2015.
Reliance Retail	1999	National: 7,000+ towns[1]	Reliance Retail operates chain of convenience stores, supermarkets, specialty and online stores. In fashion space, Reliance Retail operates multiple brands including Trends, Centro, Reliance Jewels, and has a portfolio of multiple international brands such as GAP, Armani, Burberry, Diesel, and more.

Note:

**As per MCA certificate*

***Markets served by the entity, as declared by the companies in their annual report of fiscal 2023*

[1] *Data as per company's website accessed in February 2024. As on March 31, 2023, Reliance Retail operated 18,040 stores across 7,000+ towns with a retail area of over 65.6 million sq ft.*

Source: MCA, Company websites, Company filings, CRISIL MI&A

Key Operational Parameters

Player	Exports%* share in operating income	Manufacturing Plants*	Manufacturing Capacity**
Arvind Ltd.	44%	13	Denim: 100 million metres per annum (MMPA)[1] Woven fabric: 150 MMPA[1]
Gokaldas Exports Ltd	90%	19	Apparel: 36 million per annum
K. P. R. Mill Limited	38%	11	Readymade knitted apparel: 147 million pieces PA Spinning: 3,54,240 spindles Yarn: 1,00,000 TPA Knitting: 40,000 MT of fabrics PA Dyeing: 25,000 TPA Vortex: Spindles: 37,968 Vortex Yarn: 10,500 TPA.
Pearl Global Industries Limited	99%	14	80 million units PA
S. P. Apparels Limited	94%	17	N.A.
Raymond Limited	6%	3	Fabric[2]: ~120 million metres PA Apparel[3]: 11 million pieces PA

Note:

N.A.: Not available; PA stands for per annum

**As declared by the entities in their annual report*

*** related to textiles*

1 *As per rating rationale dated Oct 2023*

2 *Fabric capacity in suiting, shirting & denim (denim manufacturing is in a JV company)*

3 Jackets, trousers, vests, shirts and denim

Source: MCA, Company websites, Company filings, Rating Rationale, CRISIL MI&A

- **Gokaldas Exports Ltd is one of the key readymade garment manufacturers and exporters based in India among the peers compared in the above table.**

Key export data

Revenue from exports in Rs million	FY21	FY22	FY23	CAGR (FY21-FY23)
Arvind Ltd	25,626	40,669	36,959	20.1%
Gokaldas Exports Ltd	9,484	15,110	18,660	40.3%
K.P.R Mills Ltd	12,006	17,167	22,642	37.3%
Pearl Global Industries Ltd	14,548	26,885	31,480	47.1%
S.P. Apparels Ltd	5,284	6,552	8,842	29.4%
Raymond Ltd	7,552	12,224	16,499	47.8%

Figures in Rs million	FY21	FY22	FY23	CAGR (FY21-FY23)
Total India apparel exports	9,10,582	11,93,118	13,01,837	19.6%
Gokaldas Exports Ltd	9,484	15,110	18,660	40.3%
Gokaldas Exports Ltd share	1.0%	1.3%	1.4%	

Note: Revenue from exports of companies are taken as reported in the annual report and are not CRISIL reclassified

Source: Company annual reports, Ministry of Textiles, CRISIL MI&A

5.2 Financial Overview

Key Financials (Rs million)

Players	Operating income		Operating profit before depreciation, interest and tax (OPBDIT)			Profit after tax (PAT)		
	FY23	CAGR (FY21-23)	FY23	CAGR (FY21-23)	OPBDIT%	FY23	CAGR (FY21-23)	PAT%
Arvind Ltd	84,121	28.7%	8,540	31.8%	10.2%	4,132	n.m.	4.9%
Gokaldas Exports Ltd	22,222	35.5%	2,708	63.3%	12.2%	1,730	155.5%	7.8%
K.P.R Mills Ltd	61,859	32.4%	12,748	23.6%	20.6%	8,141	25.7%	13.2%
Pearl Global Industries Ltd	31,584	45.5%	2,725	102.0%	8.6%	1,530	195.8%	4.8%
S.P. Apparels Ltd	10,779	28.5%	1,595	24.7%	14.8%	825	38.2%	7.7%
Raymond Ltd	82,224	54.3%	11,252	n.m.	13.7%	5,370	n.m.	6.5%

Note:

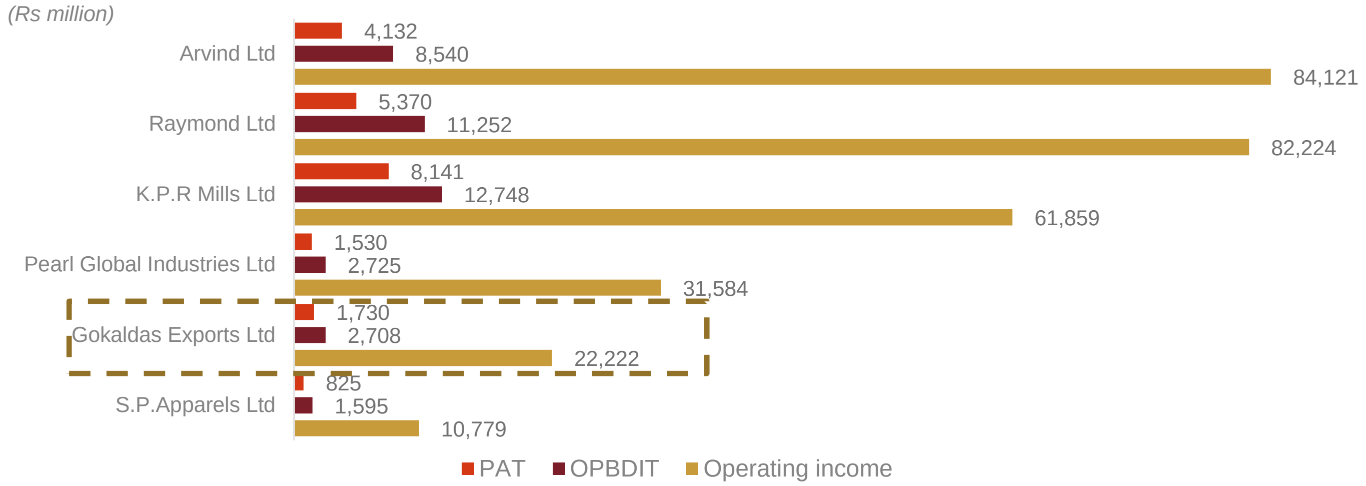
n.m. not meaningful

**All financials are considered on consolidated basis*

Financial used in this report have been standardised and re-classified by CRISIL and may not match with the reported financials by the players

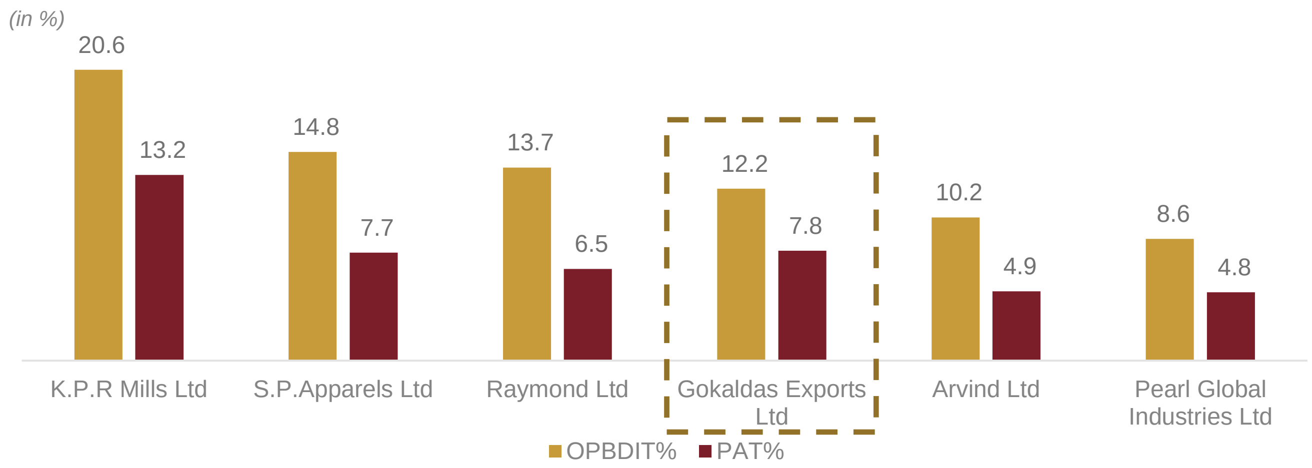
Source: MCA, Company websites, Company filings, CRISIL MI&A

Operating income, OPBDIT and PAT (FY23)



Source: MCA, Company websites, Company filings, CRISIL MI&A

OPBDIT and PAT margins (FY23)



Source: MCA, Company websites, Company filings, CRISIL MI&A

Key Ratios (FY23)

Players	RoCE (%)	RoE (%)	Gearing Ratio	Interest Coverage ratio	Cash conversion cycle
Arvind Ltd	14.8	13.0	0.4	3.9	33.6
Gokaldas Exports Ltd	28.2	21.8	0.0	11.8	52.8
K.P.R Mills Ltd	24.3	23.6	0.4	17.1	147.5
Pearl Global Industries Ltd	22.1	23.2	0.6	3.8	2.2
S.P. Apparels Ltd	14.3	12.8	0.4	8.9	79.0
Raymond Ltd	22.7	19.9	0.7	4.9	17.2

Note:

**All financials are considered on consolidated basis*

Financial used in this report have been standardised and re-classified by CRISIL and may not match with the reported financials by the players:

RoCE: Profit before interest and tax (PBIT) / total debt plus tangible networth

RoE: PAT / tangible net worth

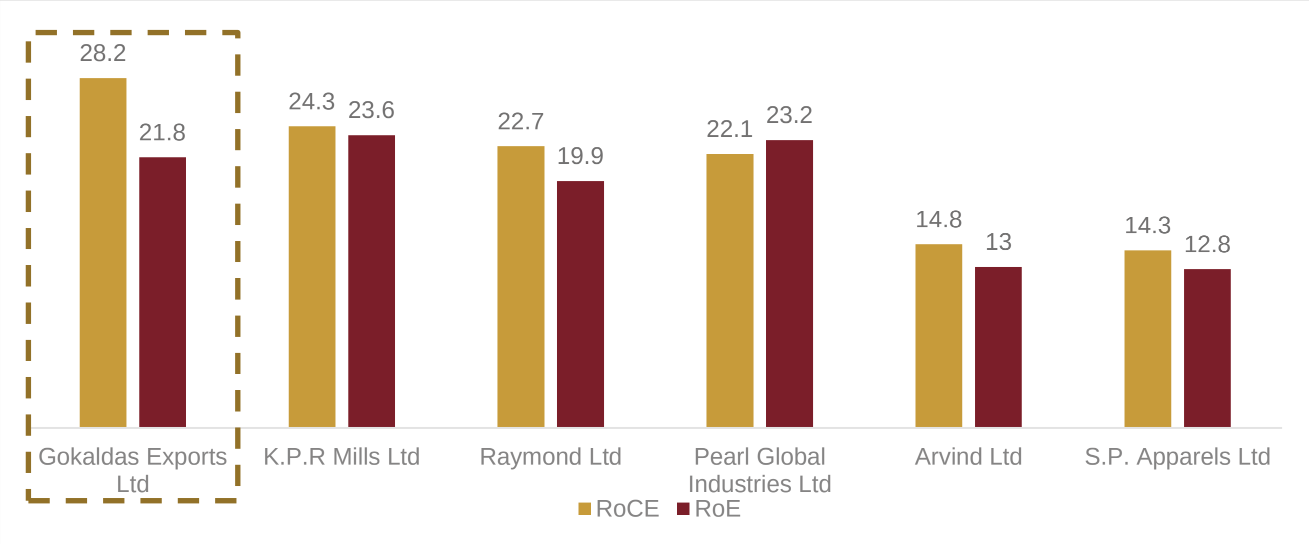
Gearing Ratio: Adjusted debt / adjusted networth

Interest Coverage Ratio: Profit before depreciation, interest, and tax (PBDIT) divide by interest and finance charges

Cash conversion cycle: Debtors & Bills Disc.: as days Gross & Traded Sales - Days Payables: as days consumption + Days Inventory :as cost of sales

Source: MCA, Company websites, Company filings, CRISIL MI&A

RoCE and RoE comparison

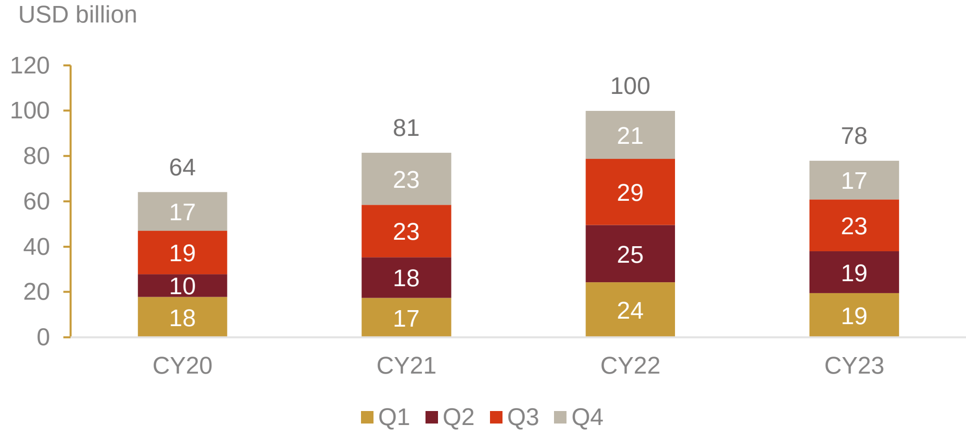


Source: MCA, Company websites, Company filings, CRISIL MI&A

- Gokaldas Exports Ltd registered highest RoCE (Return on Capital Employeed) among the considered players in fiscal 2023, at 28.2%
- Gokaldas Exports Ltd had the lowest gearing ratio among the considered players in fiscal 2023

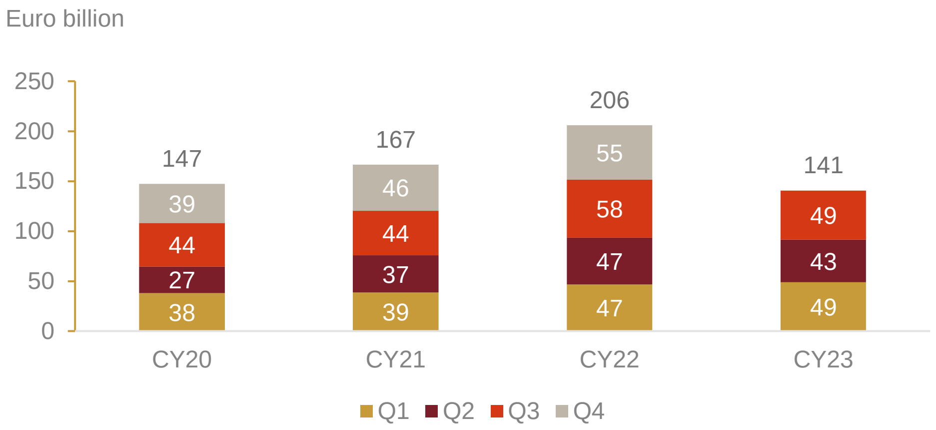
6. Annexure

US Apparel Imports



Source: Otexa, CRISIL MI&A

EU Apparel Imports (Articles of apparel and clothing accessories)



Source: Eurostat, CRISIL MI&A

OUR BUSINESS

Overview

We are one of the key readymade garment manufacturers and exporters based in India amongst the key players operating in the Indian readymade garments (*Source: CRISIL Report*), engaged in the business of design, manufacture and sale of a wide range of readymade garments, for all seasons, (outerwear, activewear and fashionwear) for men, women and kids. We cater to the needs of several prominent international fashion brands and retailers. We export to more than 50 countries where our customers include prominent international brands. Our operations enable us to manufacture a wide variety of value-added readymade garments, through our integrated facilities 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 33,610, full time employees as on December 31, 2023.

We have four decades of experience in manufacturing readymade garments, understanding customer-preferences, while prioritizing quality assurance and adhering to the compliance standards of our international customers spanning North America, South America, Europe, Africa, Oceania, and Asia. Our growth is fuelled by our longstanding relationships, with over 38% of our revenue stemming from customers who have partnered with us for more than a decade.

As on December 31, 2023, we operate 23 manufacturing facilities, among these, 20 facilities are situated in Karnataka, while one each are located in Madhya Pradesh, Tamil Nadu, and Andhra Pradesh. Our comprehensive infrastructure and machinery across all facilities encompass sewing, cutting, printing, embroidery, and garment finishing, enabling us to efficiently handle substantial bulk orders and cater to diverse customer needs promptly. In Bangalore, our design, testing, fitting, and quality inspection laboratory play a pivotal role in maintaining the rigorous quality standards demanded by our customers. Accredited by several major customers, our in-house testing laboratory ensures adherence to quality benchmarks. Additionally, our modern printing and laundry unit in Bangalore is outfitted with automated machinery and cutting-edge equipment sourced from Austria, Spain and Japan.

Over the years, we have developed expertise in manufacturing a diverse mix of product categories such as fashion wear, outerwear, bottom wear, and sportswear garments. In Fiscal 2023, our revenue from outerwear experienced a growth of 12.01% compared to Fiscal 2022, whereas the fashionwear segment saw even stronger growth, increasing by 50.52% over the same period.

We predominantly manufacture woven products, with over 97% of our exported goods falling into this category, catering to menswear, womenswear, and children's wear. Global knitwear apparel trade, for HS Codes specified in CRISIL Report, has increased at a CAGR of about 5.5% in value terms between CY2018 and CY2022. Noting an ever-increasing demand for knitted apparels globally, there may be opportunity in the apparel exports market for exporters in India (*Source: CRISIL Report*), necessitating vertical integration. With this in mind, particularly for our knitwear sector, our Company has initiated plans to establish a fabric processing unit in Perundurai, Tamil Nadu. This unit will possess manufacturing capabilities including dyeing, printing, wet-processing, mercerising processes, and fabric production from yarn.

Our Company has directed its focus towards inorganic growth through recent acquisitions. We intend to undertake potential acquisitions and/or investments in line with our business objectives, from time to time, and intend to seek inorganic opportunities which are synergetic with our existing operations and growth strategies, that we believe will fit well with our expansion plans. We have completed the following acquisitions in the Fiscal 2024 in line with our business objectives:

Year	Entities Acquired	Acquisition Price	Details of Entities Acquired, and their Business	Objective of Acquisition
2024	Amibros S.A (operating under the trade name "Atraco Industrial Enterprise ("Atraco") in Dubai, UAE, and as a branch of Amibros S.A) *Acquisition Details:* 100% shares of Amibros S.A. (and as a consequence acquisition of Atraco) have been acquired by Gokaldas Exports FZCO, Dubai (wholly owned subsidiary of the Company)	USD 38.50 million	Atraco is a manufacturer of apparels, operating out of Dubai, U.A.E. It produces a wide range of products and specializes in the production of casual wear, including shorts, pants, shirts, blouses, t-shirts, and dresses.	The companies or assets acquired have been in a similar line of business and have experience in making a diverse range of apparel products for all seasons. Atraco Logistics LLC is engaged in Logistics Services. Our Company expects to garner larger competitive advantage, widen global footprint, widen customer base, and increase its production capacity through aforementioned strategic acquisitions.
	Atraco Logistics Co LLC *Acquisition Details:* 100% shares of Atraco Logistics Co LLC (and as a consequence, its branch) have been acquired by Gokaldas Exports FZCO, Dubai (wholly owned subsidiary of the Company)	USD 1.50 million	Atraco Logistics LLC, is an entity incorporated under the laws of Emirate of Dubai and is engaged in freight and clearing services, cargo loading and unloading, cargo packaging, shipping line agents and general warehousing purposes ("**Logistics Services**")	
	Coral Investments Limited (indirectly acquiring Ashton Apparel PLC) *Acquisition Details:* 100% shares of Coral Investments Limited ("**Coral**") (and as a consequence acquisition of Ashton Apparel Manufacturing PLC, which is a subsidiary of Coral) have been acquired by Nava Apparels L.L.C-FZ, Dubai (wholly owned subsidiary of the Company)	USD 1.60 million	Ashton Apparel Manufacturing PLC, an entity incorporated under the laws of Ethiopia, is a manufacturer and exporter of men's, women's and children's casual and associated products.	
	Coast Apparel EPZ Limited ("**CAL**") *	USD 6.00 million	CAL, AAL, and MAL are entities incorporated under the laws of Kenya and principal business activity of these entities is to manufacture wide range of apparel and export.	
	Ashton Apparel EPZ Limited ("**AAL**") *	USD 3.4 0million		
	Mombasa Apparel EPZ Limited ("**MAL**") * *Acquisition Details:* All assets of CAL, AAL, and MAL has been acquired by Nava Apparels L.L.C-FZ, Dubai (wholly owned subsidiary of the Company)	USD 4.00 million		

**All rights, interest and obligations under the aforesaid asset purchase agreements have been novated to our wholly owned subsidiary Ashton Mombasa Apparel EPZ Limited, Kenya*.

Further, in line with the strategy to grow and strengthen the industry position of the Company and in furtherance to our strategy of inorganic growth, our Board in its meeting held on February 1, 2024 entered into a share swap agreement with MCPL, MDIPL, Gautam Nair and Rajeev Dhawan ("**SSA**") for acquisition of 10,000 equity shares of face value of ₹ 10 each ("**Sale Shares**") representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan. MCPL is a manufacturer of knitwear for various brands, with geographical exposure to Europe, UK, and North America. For more detailed information on the MCPL acquisition, please refer to the *"Use of Proceeds"* section on page 89.

We have strong emphasis on design ability. We continually generate fresh designs and samples for our customers, and our adeptness in realizing customer concepts enhances our product range and improves our agility in aligning with prevailing trends. We have cultivated diverse competencies to cater to our customers, encompassing trend forecasting, product engineering, fashion designing, streamlined manufacturing, and innovation. Central to our strategy is the manufacturing of intricate products and designs, fostering synergies that transcend price-based competition. Our enduring partnerships with key customers have fuelled our growth trajectory. Our steady commitment to quality has solidified our position as a trusted vendor for select major international customers, improving our brand value and reputation.

We have been honoured by the Apparel Export Promotion Council, under the Ministry of Textiles, Government of India, for achieving the highest employment levels in both Fiscals 2022 and 2023. Additionally, we have been the recipient of the Karnataka State Export Excellence Award from the Department of Industry and Commerce for the Fiscals 2018, 2019, and 2020 consecutively.

The following tables gives our total revenue and key financial indicators on a consolidated basis for the nine-month period ended December 31, 2023, nine-month period ended December 31, 2022 and for the Fiscals 2023, 2022 and 2021.

(*In ₹ lakhs, unless specified*)

Particulars	**Fiscal 2021**	**Fiscal 2022**	**Fiscal 2023**
Total Income	1,22,293.69	1,80,100.34	2,24,722.93
Revenue from operations	1,21,072.73	1,79,031.57	2,22,219.58
EBITDA	11,369.53	21,618.69	29,580.77
EBITDA Margin	**9.30%**	**12.00%**	**13.20%**
PBT before exceptional items	2,661.80	11,703.13	19,833.93
PAT before exceptional item	2,649.16	11,708.13	16,691.61
PAT Margin	**2.20%**	**6.50%**	**7.40%**
Net Debt to Equity	0.72	0.05	-0.28

Net Debt to Equity: Average net debt/ average equity. Net debt is gross borrowings reduced by cash and cash equivalents. Negative net debt represented net cash.

(*In ₹ lakhs, unless specified*)

Particulars	**Nine-month period ended December 31, 2023**	**Nine-month period ended December 31, 2022**
Total Income	1,59,101.65	1,71,710.75
Revenue from operations	1,56,646.60	1,69,918.47
Adjusted EBITDA[1]	20,421.80	21,862.10
Adjusted EBITDA Margin[1]	**12.84%**	**12.73%**
EBITDA	19,408.80	21,862.10
EBITDA Margin	**12.20%**	**12.73%**
PBT before exceptional items	11,605.91	14,757.38
PAT before exceptional item	8,668.91	11,972.35
PAT Margin	**5.45%**	**6.97%**

[1] *EBITDA adjusted with ₹ 1,013 lakhs of one-off expenses (relating to acquisition-related expense of ₹398 lakhs and initial start-up expense in MP-Unit of ₹ 615 lakhs.)*

The following table gives the break-up of our total sale of finished goods on a consolidated basis. More than 92% of the revenue from operations are from sale of finished goods.

(*In ₹ lakhs, unless specified*)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Sale of finished goods						
A. Exports	94,173.84	82.21%	1,49,112.14	89.36%	1,85,190.38	89.63%
B. Domestic	20,372.42	17.79%	17,753.05	10.64%	21,415.77	10.37%
C. Total (A+B)	**1,14,546.26**	**100.00%**	**1,66,865.19**	**100.00%**	**2,06,606.15**	**100.00%**

(*In ₹ lakhs, unless specified*)

Particulars	Nine-month period ended December 31, 2023		Nine-month period ended December 31, 2022	
	Amount	**% of total**	**Amount**	**% of total**
Sale of finished goods				
A. Exports	1,27,514.91	88.62%	1,41,714.13	89.41%
B. Domestic	16,379.96	11.38%	16,777.24	10.59%
C. Total (A+B)	**1,43,894.87**	**100.00%**	**1,58,491.37**	**100.00%**

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 key readymade garment manufacturers and exporters based in India amongst the key players operating in the Indian readymade garments industry (*Source: CRISIL Report*). 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 some of our major customers has contributed to our growth. Our commitment to quality and customer service practices have been strong contributing factors to our customer relations. Over the years, we have built a robust base of international retailers of readymade garments, including reputed established brands with global operations. Our growth is significantly fuelled by our longstanding relationships, with over 38% of our revenue stemming from customers who have partnered with us for more than a decade. Currently, 50% of our long-term customers are from the USA, with 38% originating from Europe, and the remaining 12% from Asia.

While we do not have any long-term supply agreements, we have continued to receive repeat business from many of our customers, who are eminent and reputed brands in their jurisdiction. This is attributed to our comprehensive understanding of their design specifications and our dedication to deliver garments adhering to their stringent quality standards in a timely manner.

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 their respective industry standards and jurisdiction. 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. The design and sampling team comprises 22 designers who engage with customers to grasp their needs, creating designs tailored to their specifications. They work across a broad spectrum of garmenting solutions, encompassing shirts, women's tops, dresses, skirts, children's wear, sportswear, and denimwear. This diverse product range of garmenting solutions enables us to offer a comprehensive array of ready-made garments to our customers.

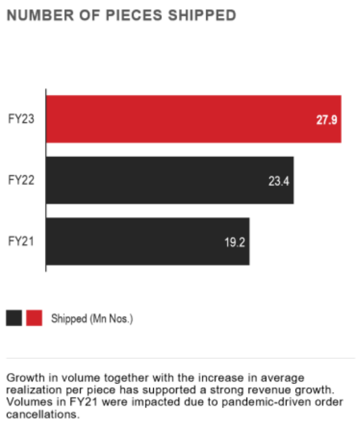
Product design, development and sampling form an integral part of our Company's operations. It helps us in converting an existing inquiry into an order for our products. We believe that our ability to produce innovative designs is one of our major strengths and improves our competitiveness in the market. Our in-house designing team, consisting of 22 employees and 513 employees work on R&D sampling department as of December 31, 2023, focuses on providing value-added design products by understanding the current fashion trends thereby helping us in procuring new as well as repeat orders. Further, we have set up testing laboratories and our customers have given us certification to conduct the lab test. 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.

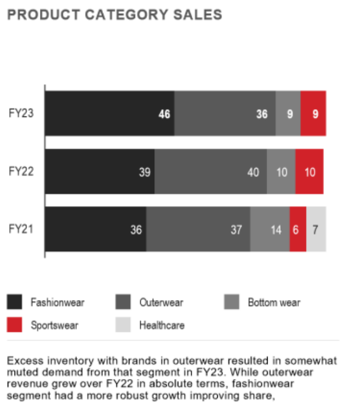
We are one of the key readymade garment manufacturers and exporters of readymade garments for men, women and kids wear in India

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 key manufacturers of readymade garments in India. We export to more than 50 countries where our customers include prominent international brands.

As on December 31, 2023, our Company and our Subsidiaries have 23 operating manufacturing facilities of which 20 of our manufacturing facilities are located in Karnataka, and one each in Madhya Pradesh, Tamil Nadu and 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.





China is the leading global exporter of apparel, with a market share of 30% in Fiscal 2022. However, there has been a decrease in China's market share as an exporter, primarily due to wage increase and ban by US on imports of cotton and cotton products from Xinjiang region of China. US being one of the largest textile consuming market coupled with being the largest importer of apparel provides an opportunity for Indian exporters to serve as an alternate choice of exporter to the US, which has 21% in global apparel imports. (*Source: CRISIL Report*)

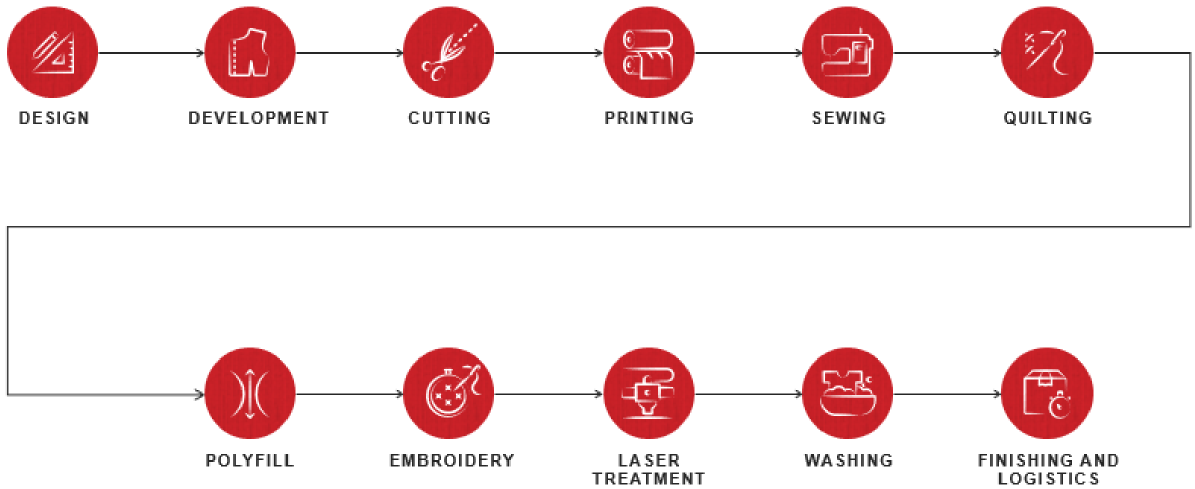
This coupled with schemes such as PLI Scheme for Textiles, Scheme for Integrated Textile Parks ("**SITP**"), Export Promotion Capital Goods Scheme, announced by the Government of India along with incentive packages by various state governments and set-up of mega textile parks, provide support to Indian exporters. India could serve as the preferred 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. 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. India was ranked seventh in CY2022 among the top apparels' exporters in the world with a share of approximately 3% in the global apparel trade. Going ahead, the apparel exports are expected to grow at a CAGR of 5-7% between fiscal 2024 and 2028, owing to the gradual demand revival in US and EU regions, favourable domestic prices aiding global competitiveness of Indian exporters coupled with low base effect. (*Source: CRISIL Report*)

We are one of the key readymade garment manufacturers and exporters based in India amongst the key players operating in the Indian readymade garments industry (*Source: CRISIL Report*). 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 86.86%, 88.11%, 88.30%, 87.53%, and 81.54% of our total revenue from operation for the nine months ended December 31, 2023, December 31, 2022, and for Fiscals 2023, 2022, and 2021, respectively on a consolidated basis. 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 and believe that we can capitalize on such market opportunities to expand our exports of apparels. We have produced and sold approximately 208.09 lakhs, 278.70 lakhs, 233.71 lakhs, and 192.75 lakhs pieces of readymade garments for the nine-month period ended December 31, 2023, and in Fiscals 2023, 2022, 2021, respectively. Our capacity addition is also in line with this. We offer a well-diversified product category to our customers with a strong presence in fashion and outerwear which we believe has helped us become a preferred vendor partner for our 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. We have experience of setting-up units that are integrated with our manufacturing and production operations and as on December 31, 2023 we have 23 such manufacturing facilities. With this expertise, in Fiscal 2023, we commissioned our first greenfield project in the central part of India, Acharpura Industrial area, Bhopal, Madhya Pradesh and commenced commercial production in July 2023.

Our manufacturing value chain



We have an experienced management team led by our key management personnel and senior management

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 given our current scale of operations as well as the size of operations that we are planning to achieve.

Our experienced management team is supported by a skilled workforce. As of December 31, 2023, we have employed 33,610 employees. Our employee engagement is dedicated to fostering a highly engaged workforce and by prioritizing employee engagement initiatives, we foster an environment that fuels innovation and collaboration while promoting continuous growth. The Company values employee feedback through Skip Level Meetings (SLMs), gaining valuable insights into workforce sentiments and ensuring their voices are heard. Additionally, we also empower supervisors to foster an engaged, productive, and innovative workforce through competency-based training.

Our team led by Chairman, Mr. Mathew Cyriac and our Vice Chairman and Managing Director, Mr. Sivaramakrishnan Ganapathi have successfully managed various businesses. For further details refer "*Board of Directors and Senior Management" on page* 210.

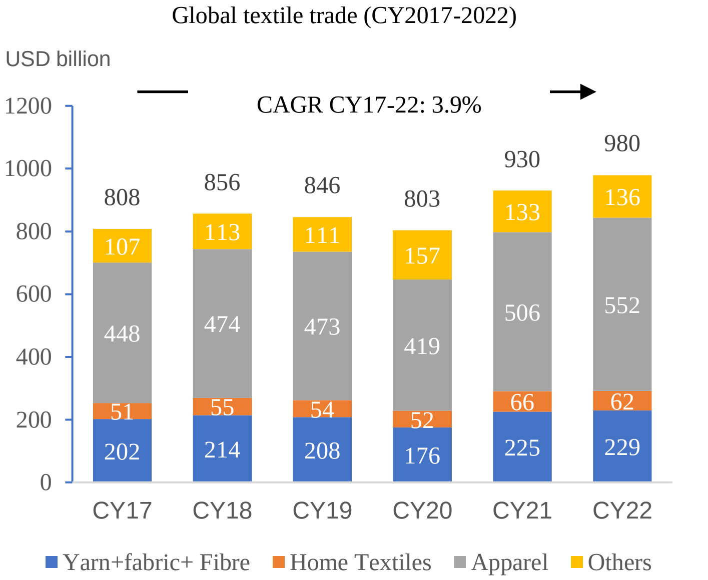
Our Strategies

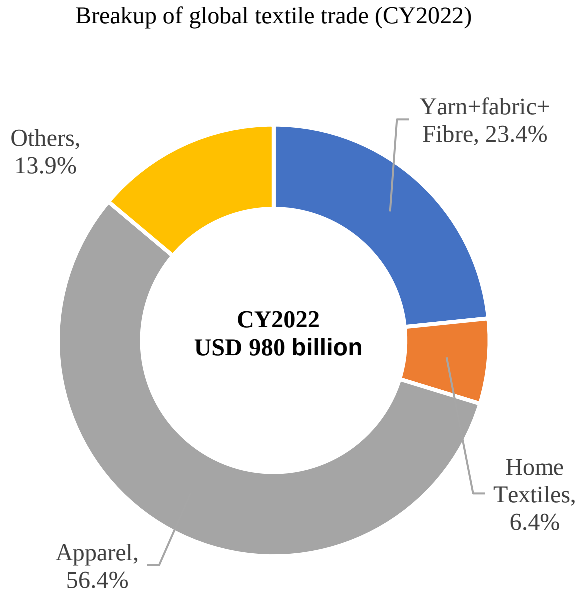
Our vision is to be establish ourselves as a global leader in the apparel industry, driven by innovation, operational excellence and sustainable practices. In particular, we are focused on a four-pronged strategy.

Deepening our product penetration with existing customers and increasing our customer base

The global textile industry is expected to grow at a CAGR of 2.5 - 3.5% from CY2023 to CY2027 to reach approximately USD 1,780-1,830 billion in CY 2027. 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. Volume wise, the industry is expected to grow from 193 billion tons in CY2023 to 210-220 billion tons in CY2027, registering a CAGR of 2.0 - 3.0%. (*Source: CRISIL Report*)

Additionally, within textiles, apparels dominated the global trade with a share of 56.4%, followed by yarn, fabrics and fibre at 23.4% as of CY2022. (*Source: CRISIL Report*)



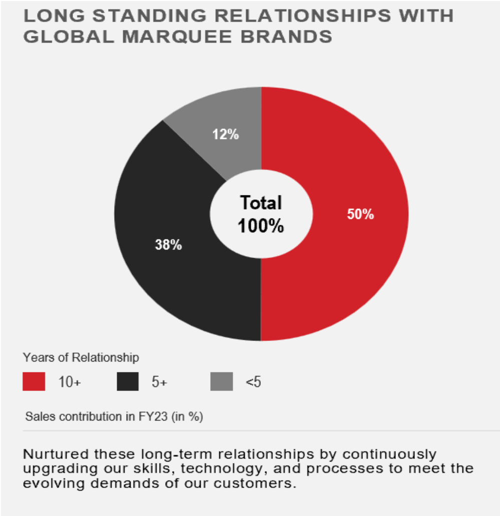


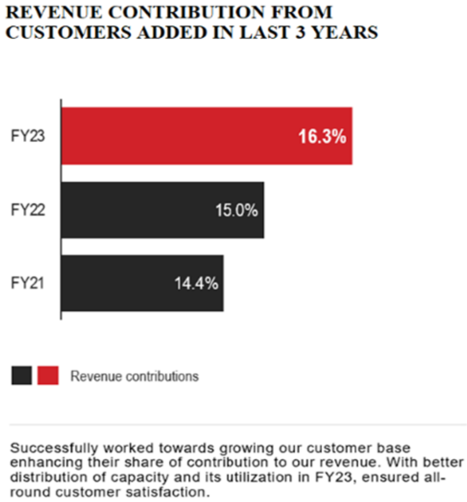
Note: Trade numbers have been calculated on the basis of global export data; HS codes used for analysis include: 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 65, 4203, 4303, 4304. Any category apart from apparels, home textiles, yarn, fabric, fibre is clubbed under others.
Source: ITU, CRISIL MI&A

Similar to the global trend, apparel exports contributed the major portion of the Indian textile trade in fiscal 2023. Apparel sales accounted for 44% of the total Indian textile trade in fiscal 2023, followed by cotton textiles and manmade textiles at 30% and 15% respectively. Going ahead, the apparel exports are expected to grow at a CAGR of 5-7% between fiscal 2024 and 2028, owing to the gradual demand revival in US and EU regions, favourable domestic prices aiding global competitiveness of Indian exporters coupled with low base effect (*Source: CRISIL Report*). We are focused to derive benefit of opportunities in apparel exports, and enhance our product portfolio, increase geographical presence, widen customer base, increase production capacity, improve financial and operating performance, and target for deeper market penetration.

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. Our aim is to further nurture and fortify our established relationships with customers in the readymade garments sector.

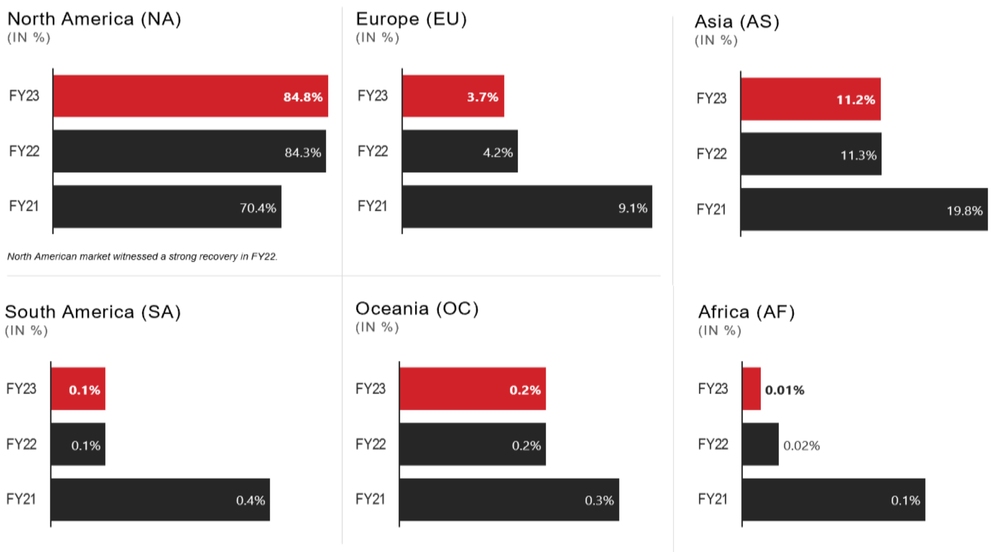
As a result, over the last three fiscal years, we expanded our share of customer wallet of top customers as is depicted in the graph below. This approach has helped in evening the seasonality impact in the business for an all-year round capacity utilization. We will continue to work towards enlarging our customer base, and broad-base revenues, while deepening our customer wallet share.





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 a designing team along with 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 export a major component of production of our readymade garments worldwide across over 50 countries and 6 continents. USA and Europe contributed 88% of our total export sales of readymade garments for the year ended March 31, 2023 and it remains a major market of our Company's exports.



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. In line with the strategy to grow, strengthen our industry position and enhance our geographical reach, Gokaldas Exports FZCO, Dubai, wholly owned subsidiary of our Company has entered into a share purchase agreement dated August 28, 2023 ("**SPA**") with Solaris – II Investments Group Limited ("**Solaris**"), Amibros S.A., and Atraco Industrial Enterprise (branch of Amibros S.A., together with Amibros S.A. ("**Atraco**")) for acquisition of 100% shares of Amibros from Solaris ("**Atraco Acquisition**"), for a consideration of USD 38.50 million ("**SPA**"). Pursuant to receipt of requisite approvals and fulfilment of the closing conditions, Gokaldas Exports FZCO, Dubai acquired 100% shares of

Amibros on January 3, 2024 in terms of SPA.

Atraco is an apparel manufacturer based in Dubai, UAE, with manufacturing operations spanning Kenya and Ethiopia, with a wide reach in the Middle East and Africa (MEA) region. Atraco is headquartered in Dubai, UAE, operates with a network of 5 manufacturing units in the Africa region (4 in Kenya and 1 in Ethiopia). Atraco has customer relationships with global brands, it exports significant portion of its output to the USA. It produces wide variety of apparel like shorts, pants, shirts, t-shirts, blouses, and dresses. We intend to also focus on increasing our customer base by increasing the range of products we manufacture and supply to them. While this being our approach, we also explore opportunity to increase customer base through inorganic means.

Cost Effective capacity expansion

We focus and continue to focus on driving operational excellence of reducing 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, locations providing low-cost of operation, focusing on core product types. We intend to modernise our infrastructure at our manufacturing facilities with aim of substantially improving our operational efficiency and unlock the bottleneck capacity for expansion and growth. With improved order flow from our customers, we intend to expand our footprint beyond Karnataka and to low-cost locations.

As per CRISIL Report, Government of India has introduced various initiatives and schemes towards development of infrastructure and for bolstering the exports. These include PM – MITRA, SAMARTH, PLI, Amended Technology Upgradation Fund Scheme (ATUFS), extension of RoSCTL till 2026 among others. Additionally, many state governments offer incentives in setting up manufacturing facilities. In this connection, our Company has set up a new manufacturing plant, near Bhopal, in Madhya Pradesh. The Company has purchased 10-acre land from the Madhya Pradesh Industrial Development Corporation (MPIDC) in this connection. During the Fiscal 2023, we spent ₹ 38 crore on modernisation and upgrades, and ₹ 97 crore on new capacity and projects. We continue to exercise judicious control over capex spending taking into consideration the market conditions. We inaugurated Phase 1 of our Madhya Pradesh facility, introducing a 1,00,000 sq. ft production area to accommodate 2,000 employees. We started commercial production at the facility in July 2023. The facility has capacity expansion potential, and we intend to make it a cost-efficient cluster of operations for the Company. We are also setting up a manufacturing unit in Tamil Nadu, which is expected to start production in the first half of Fiscal 2025 and we believe that this facility will contribute to our vision of expansion and growth. Establishing of the said manufacturing facility 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, and 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. In line with this objective, we plan to initiate Phase II expansion at the Madhya Pradesh facility. This initiative aims to augment our cost-effective capacity, facilitating higher growth and improved profit margins.

We are working on strengthening our 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 future growth opportunities by continuing to expand our manufacturing capacity.

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 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 fiscals, 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 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.

We shall stay focused on continuous improvement, upgradation and modernization of our infrastructure and technology in coming years.

Focusing organic and inorganic growth avenues for geographical diversification, with focus on wide range of product portfolio.

Shareholder value accretion, access to new product lines, geographical diversification, capacity expansion etc. are the central part of our Company's growth strategy. As we know, companies employ many different strategies to grow, primarily in organic and inorganic modes. While we continue to stay focused on strategies giving strong organic growth for the Company, an inorganic means of growth is also an alternate way to increase our revenue size, customer addition and market penetration. We have witnessed a steady improvement in our financial and operating performance and gained investor confidence achieving marked improvement in ROCE and building a healthy free cash surplus for use. Our Company had the highest RoCE and lowest gearing ratio in fiscal 2023 amongst the considered players operating in the Indian readymade garments industry (*Source: CRISIL Report*). We successfully utilized our surplus cash by strategically integrating a fitting offshore business into our portfolio. We believe that this addition will strengthen our growth trajectory through inorganic means. We are proceeding thoughtfully, meticulously identifying opportunities that align with our strategic objectives. These opportunities should possess a strong complementary customer base, improved operational capabilities, and leadership within their respective spheres. In line with this strategy, we have recently acquired Amibros S.A (operating under the trade name Atraco Industrial Enterprise ("**Atraco**") in Dubai, UAE, and as a branch of Amibros S.A), Coral Investments Limited (indirectly acquiring Ashton Apparel PLC), through our wholly owned subsidiaries and have entered asset purchase agreements with certain entities in similar line of businesses. For details, see "*Our Business – Overview*" on page 192.

These acquisition marks a significant step forward in expanding our global presence, broadening our customer base, and enhancing our production capacity.

Atraco, is a manufacturer of apparel which is headquartered in Dubai, UAE. Atraco's presence is spread across 3 countries where operations, with marketing, product development and corporate functions are based in UAE, and manufacturing units are located in Kenya and Ethiopia in Africa. It operates with a network of 5 manufacturing units, of which 4 in Kenya and 1 in Ethiopia with strong manufacturing capabilities and large work force spread across 5 manufacturing facilities. It has strong customer relationships with global brands, exporting significant portion of its output to the USA. The product range includes shorts, pants, shirts, t-shirts, blouses, and dresses.

We see high degree of competitive advantage through this acquisition that are as follows:

- Duty-free access to the US is a key strength, as duties range from 11% to 28%. Exports from Kenya to the USA are eligible for duty-free concession under African Growth and Opportunities Act (AGOA). (*Source: CRISIL Report*)
- Access to the EU through EPA (Economic Partnership Agreement) and LDC (Least Developed Countries) (*Source: CRISIL Report*)
- Production facilities with large work-force deployed in low-cost locations, with the possibility for further expansion to drive future growth.

- Manufacturing capabilities, and machine efficiency built over the years.
- Business relationships with global apparel brands.

Consolidated Financial Highlights of Atraco:

(*In ₹ lakhs, unless specified*)

KEY PERFORMANCE METRICS	CY 2020	CY 2021	CY 2022
Revenue from operations	51,857.61	63,382.64	84,301.76
EBITDA	3,910.23	8,022.17	7,697.37
EBITDA Margin	7.50%	12.70%	9.10%
Profit after tax	1,762.85	7,008.97	5,662.78
Net profit margin	3.40%	11.10%	6.70%

Moreover, a strategic acquisition of a complementary business signals a promising growth trajectory. In line with the strategy to grow and strengthen the industry position of the Company and in furtherance to our strategy of inorganic growth, our Board in its meeting held on February 1, 2024 entered into a share swap agreement with MCPL, MDIPL, Gautam Nair and Rajeev Dhawan ("**SSA**") for acquisition of 10,000 equity shares of face value of ₹ 10 each ("**Sale Shares**") representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan. Subsequently, our Company has acquired 10,000 equity shares of face value of ₹ 10 each on March 13, 2024, representing 100% of the paid-up equity share capital of MDIPL, and as on date of this Placement Document, MDIPL is a wholly owned subsidiary of our Company. Further, a business transfer agreement has been executed between MDIPL and MCPL on January 22, 2024, pursuant to which MCPL's undertaking relating to the business of manufacture, supply, distribution, sale and / or export of apparels ("**Apparel Business**") has been transferred to MDIPL. MDIPL is an apparel manufacturing and export company located in Gurgaon, Delhi NCR Region, India.

MDIPL^ is a manufacturer of quality men's, ladies', and children's knitwear apparel for known brands, with major geographical exposure to Europe, the UK, and North America. MDIPL^ operates out of Gurgaon, Haryana and having five manufacturing facilities (4 in Gurgaon, and 1 in Ranchi, Jharkhand). MDIPL^ manufactures altogether knitwear products with embellished value-added service. This complements the existing woven category of our Company. We believe MDIPL's^ acquisition expands our geographical reach enabling deeper market penetration with opportunity to venture into new business segments like knits, leading to enhancement of our product portfolio, increased production capacity, a wider customer base, greater access to the European and UK markets helping with geographical diversification, and low-cost capacity expansion in the future. Set out below are financial highlights of Apparel Business is as follows:

(*In ₹ lakhs, unless specified*)

KEY PERFORMANCE METRICS	Fiscal 2021	Fiscal 2022	Fiscal 2023
Total Income	33,720.18	60,347.45	59,606.53
EBITDA	6,608.94	6,295.56	7,073.44
EBITDA Margin	19.60%[1]	10.40%	11.90%
Profit after tax	372.05[2]	2,555.52	4,425.15
Net profit margin	1.10%	4.30%	7.40%

*^ Business transfer agreement has been executed between MDIPL and MCPL on January 22, 2024, pursuant to which MCPL's undertaking relating to the business of manufacture, supply, distribution, sale and / or export of apparels ("**Apparel Business**") has been transferred to MDIPL. Accordingly, financial parameters of MCPL's in relation to the Apparel Business for the last 3 financial years has been disclosed in the table above.*

Notes:

[1] *Higher EBITDA margin in Fiscal 2021 was attributed to the lower material costs and sale of PPE products and accessories.*

[2] *Loan extended towards a wholly owned subsidiary in Jordan of ₹ 5,324.17 crore shown as an exceptional item in Fiscal 2021*

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 and its units, are as below:

- ISO 9001:2015
- RCS: The Recycled Claim Standard

- GRS: The Global Recycled Standard
- OCS: Organic Content Standard
- GSV: Global Security Verification
- GOTS: Global Organic Textile Standards
- HIGG Index: Higg Facility Environmental Module
- SLCP: Social & Labour Convergence Program

ESG and Sustainability

The textile industry's global reach and complex supply chain have posed challenges for sustainability. As per UN Climate Change 2018 estimates, globally textile industry accounts for 10% of the global carbon emission. With brands often outsourcing production, with limited ownership of factories leads to lack of transparency. (*Source: CRISIL Report*) We firmly believe that sustainability is the core of our operations and the most critical determinant of our success. We acknowledge that we are part of an industry that has been a major contributor to climate change, resource intensification and biodiversity loss. We also recognise this challenge as an opportunity to drive impactful initiatives that transform the industry and create a positive wave of change. We have been progressively reducing our environmental footprint and enhancing our social imprint. We are confident that our sustainability efforts will make a real difference and act as a catalyst towards fostering a more sustainable and conscious future for generations to come.

Corporate Social Responsibility

We are also committed to upholding corporate social responsibility (CSR) principles with a focus on education, health, environment and community development. Our dedicated initiatives have made a meaningful impact on the lives of nearly 15,000 people (including 7,000+ students) across 14 schools, 7 hospitals and 2 other community centres situated in 7 districts spanning 3 states. We will continue our endeavours to catalyse economic empowerment, create equitable employment opportunities and generate societal shared values among the most marginalised and vulnerable segments of society. We take responsibility for our actions and are accountable to our stakeholders. Our internal governance mechanisms and human resource capabilities will ensure that we stay ahead of the sustainability curve.

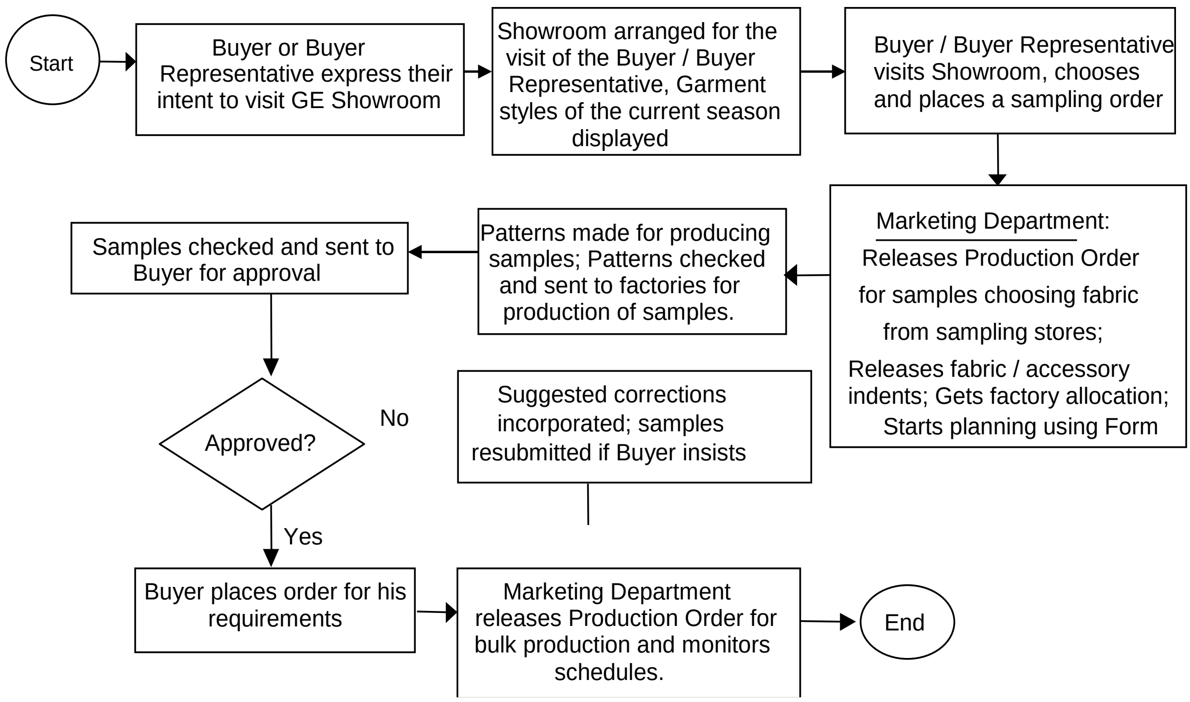
Our CSR activities are executed through "Gokaldas Exports Charitable Foundation". Incorporation of such foundation is a drive towards achieving sustainable development in alignment with the ESG principles. The foundation aims to extend its assistance to development in areas like rural infrastructure, healthcare, education and people well-being. An initiative by Gokaldas Exports Limited, the foundation commits to provide relief to the under-privileged sections of the society. Gokaldas Exports Charitable Foundation was honoured with the prestigious "CSR Excellence Award-2022" at the 6th State-level HR conference held in Bengaluru, recognizing their initiatives of corporate social responsibility.

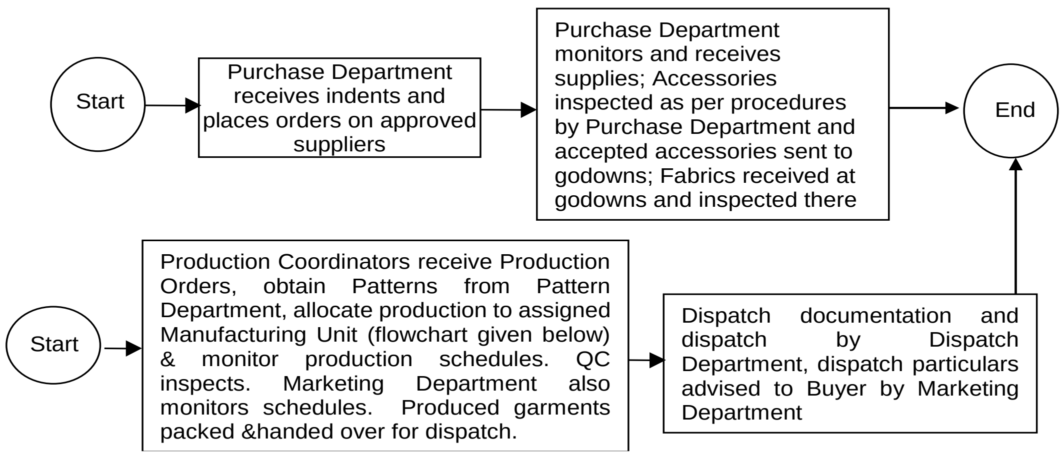
Our Operations

Products and Production Process

Our Company undertakes the activity of manufacturing of readymade garments (outerwear, activewear 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 concerning our readymade garments is set forth below:

PROCESS FLOW CHART OF THE COMPANY





The production process for the 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 approval by the customer of existing pre-production samples.

Pursuant to the 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 facility equipped with plant and machinery. As of December 31, 2023, we own over 18,000 sewing machines, 800+ cutting machines, 2,500+ ironing machines, 500+ finishing machines, 200+ Seam Seal machines, 250+ utility machines, 200+ special purpose machines for washing etc. A portion of our machinery is sourced internationally to capitalize on cutting-edge manufacturing technologies. The majority of our plant and machinery are internally managed, maintained, and operated, resulting in reduced outsourcing expenses for maintenance. Additionally, we boast a product development and sampling setup, an in-house testing laboratory accredited by our customers, and an integrated embroidery setup. Moreover, we possess various types of machinery for producing pneumatic fiber filler used in crafting puffer jackets, employing the latest technology in poly fill manufacturing. Lastly, we maintain a contemporary printing setup featuring the latest automatic machines.

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 a number of suppliers so as to enable us to procure one and a half times our requirements for 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 to meet their orders. This helps in the seamless receipt of material and quality adherences. We place orders 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 a 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

As on December 31, 2023, our Company and our Subsidiaries have 23 operating manufacturing facilities of which 20 of our manufacturing facilities are located in Karnataka, and one each in Madhya Pradesh, Tamil Nadu and Andhra Pradesh. We have recently acquired Atraco through our wholly owned subsidiary, Gokaldas Exports FZCO, Dubai, which operates a network of 5 manufacturing units, of which 4 are located in Kenya and 1 is situated in Ethiopia. We have acquired MDIPL from MCPL which operates five manufacturing facilities comprising 4 in Gurgaon, Haryana and 1 in Ranchi, Jharkhand. For risks associated with acquisitions, please see "*Risk Factors*" on page 50. We have additionally acquired assets of Coast Apparel EPZ Limited, Ashton Apparel EPZ Limited, Mombasa Apparel EPZ Limited pursuant to asset purchase agreements, which has manufacturing facilities in Kenya. 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. Further, pursuant to recent and ongoing inorganic acquisitions, we have diversified our geographical presence further strengthening our manufacturing capabilities. Manufacturing facilities located in Kenya and Ethiopia enjoy better operational efficiencies with low manufacturing cost including low labour, power and water cost. The location of our facilities in India provides us with convenient access to all raw materials, trims etc. in addition to machinery supplies and replacement parts. Further, our facilities have access to an 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 that our Company manufactures has manual intervention throughout the production process and is dependent upon the skills and turnaround time of each employee. As of December 31, 2023, we had 33,610 full-time employees at our Company deployed for our facilities and operations in India of whom about 75% are women.

Customers

Our principal customers include prominent international brands and retailers. For the Fiscals 2023, 2022 and 2021 for the top-five contributors of export sales contribute 82.50%, 83.10%, and 71.27% of the total turnover of the Company. For details see, "*Risk Factors - We depend on a limited number of customers for a significant portion of our export revenues and majority of our export revenues are contributed by customers located in certain geographical locations. 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 or any adverse impact in primary geographical markets which significantly contributes to our export revenue, may adversely affect our business, financial condition, the result of operations and cash flows"* on page 52.

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 can offer end-to-end garment 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. For details, see "*Risk Factors - 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*." on page 50.

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 garment retailers and sourcing/third party agents maintain buying offices in India and directly solicit relationships with Indian garment manufacturers. We also identify potential global retailers suitable for our products and approach them for new business.

Export Obligations and Benefits

The EPCG Scheme, initiated in the 1990s, aims to boost India's international manufacturing competitiveness by facilitating the duty-free import of capital goods which are require in pre-production, production, and post-production activities. 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, duty drawback, Remission of Duties or Taxes on Export Product (RoDTEP), Advance Licensing Scheme, and Rebate of State and Central Tax and Levies (RoSCTL) (*Source: CRISIL Report*). The Company has an Export Incentive Receivable of ₹3,101.71 lakhs as of December 31, 2023.

Personnel

We are focused on the recruitment, training and retention of our employees. As of December 31, 2023, we had 33,610 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 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 provided by our customers. We adhere to high 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 before packing. We check every piece of garment produced at our manufacturing facilities before 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 creating sustainable value for our stakeholders by adopting social, environmental and economic sustainability practices. We ensure the well-being and safety of our employees, minimise our environmental impact through eco-friendly practices and create long-term economic sustainability through global expansion and investment in technology and innovation. Our sustainable practices are creating long-term value for our stakeholders, including our employees, customers, shareholders and the wider community.

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 protecting 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. The Higg Facility Environmental Module (Higg FEM) is a global sustainability assessment tool that standardizes how industrial facilities measure and evaluate their environmental performance, year over year. The Higg FEM is designed to measure and quantify the sustainability impacts of a facility. It is central to transforming businesses for exponential impact. At Gokaldas Exports, we are consistent in achieving better scores across all sustainability parameters. 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.

The Company is committed to high standards of safety for its employees and to improving the health conditions of our employees at work. We hold the Social & Labor Convergence Program ("**SLCP**") in all our facilities to assess the working conditions and improvement rate. The SLCP is an initiative designed to streamline the auditing of labour standards in apparel and footwear facilities and improve working conditions by using a Converged Assessment Framework (CAF). Conforming to the Social and Labour Convergence Program involves a self-assessment followed by independent verification by SLCP-approved verifiers.

Intellectual Property

We have a few registered trademarks for dealing with various class of products under “gokaldas exports” logo. This logo is used for clothing, footwear, and headgear products and registered trademark 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, automation, and digitization

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 (WAF), 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.

We are swiftly adapting to digital technologies. We have employed people responsible for executing digital transformation strategies, developing change management plans, identifying new and technology trends, and measuring the impact of digital initiatives. Recently we have completed the fabric store automation that takes care of receipt, storage, roll pick up and finally issuing to the cutting section, all through the QR code scan.

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 a 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.

ORGANISATIONAL STRUCTURE

Corporate History

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 registration number of our Company is 033475 our CIN is L18101KA2004PLC033475.

Changes in Registered Office

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 – 560 022 Karnataka, India, with effect from September 25, 2020.

Our Subsidiaries

As on the date of this Placement Document, our Company has fourteen (14) Subsidiaries, of which nine (9) are direct Subsidiaries, and five (5) are indirect Subsidiaries as below**:**

Direct Subsidiaries

- All Colour Garments Private Limited
- SNS Clothing Private Limited
- Vignesh Apparels Private Limited
- Gokaldasexports Acharpura Private Limited
- Sri Susamyuta Knits Private Limited
- Gokaldas Exports FZCO, Dubai
- Gokaldas Exports Corporation, Delaware, USA
- Nava Apparels L.L.C-FZ, Dubai
- Matrix Design & Industries Private Limited*

**Pursuant to share swap agreement dated February 1, 2024, entered between our Company, MCPL, MDIPL, Gautam Nair and Rajeev Dhawan, our Company has acquired 10,000 equity shares of face value of ₹ 10 each on March 13, 2024, representing 100% of the paid-up equity share capital of MDIPL, from MCPL and the nominee of MCPL, namely Rajeev Dhawan. For details of MDIPL acquisition, see "Use of Proceeds" on page 89.*

Indirect Subsidiaries

- Amibros S.A. (Atraco Industrial Enterprise, Dubai, operating as a branch of Amibros S.A.)
- Atraco Logistics Co LLC, Dubai
- Coral Investments Limited, UAE
- Ashton Apparel Manufacturing PLC. Ethiopia (*a wholly owned subsidiary of Coral Investments Limited, UAE*)
- Ashton Mombasa Apparel EPZ Ltd, Kenya

Our Associates

As on date of this Placement Document, our Company has one associate company *i.e.,* Clean Max Celeste Private Limited. Our Company does not have any joint ventures, as on date of this Placement Document.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

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 8 Directors, including 3 Executive Directors (i.e., includes the Managing Director and the Whole-time Director) and 5 Non-Executive Directors including 4 Independent Directors, of which 2 are woman Independent Directors.

The following table sets forth details of our Board of Directors as of the date of this Placement Document:

Name, occupation, term of appointment and DIN	Age	Designation	Address
Mathew Cyriac Occupation: Professional Date of birth: May 20, 1969 Term: Liable to retire by rotation DIN: 01903606 Nationality: Indian	54	Chairman & Non-Executive Non -Independent Director	1908, 19th Floor, B B Nakashe Marg, Imperial North Tower, Tardeo, Mumbai – 400034
Sivaramakrishnan Ganapathi Occupation: Professional Date of birth: July 1, 1967 Term: Fixed term for a period of five years with effect from October 3, 2023 DIN: 07954560 Nationality: Indian	56	Vice Chairman & Managing Director	No. 1144 Svasa Homes, 13 Mata Sharada Devi Road, Basavanagudi, Bangalore – 560019
Rama Bijapurkar Occupation: Self Employed Management Consultant Date of birth: March 12, 1957 Term: Fixed term for a period of five years with effect from October 27, 2022 DIN: 00001835 Nationality: Indian	67	Non-Executive Independent Director	8, C-D, Mona Apartments, 46F Bhulabhai Desai Road, Near Mahalaxmi Temple, Mumbai – 400026
George Varughese Occupation: Professional Date of birth: December 30, 1955 Term: Fixed term for a period of five	68	Non-Executive Independent Director	225 E, 34th, ST 21H, New York, USA 10016

Name, occupation, term of appointment and DIN	Age	Designation	Address
years with effect from October 27, 2022 DIN: 09702009 Nationality: United States			
Shivanandan Ashok Dalvie Occupation: Professional Date of birth: May 2, 1972 Term: Fixed term for a period of five years with effect from October 27, 2022 DIN: 09151791 Nationality: Indian	51	Non-Executive Independent Director	A 1902, Rustomjee Seasons, MIG CHS IV Ltd Gandhi Nagar, Nr MMRDA Office Bandra - 400051
Prabhat Kumar Singh Occupation: Professional Date of birth: February 1, 1952 Term: Fixed term for a period of three years with effect from November 12, 2021. DIN: 08275987 Nationality: Indian	72	Whole-time Director	B-42, Amaltas Apartment, Behind Wide Angle, Satellite Ahmadabad City Ahmedabad - 380015, Gujarat
Sundararajan Poorana Seenivasan Occupation: Professional Date of birth: June 11, 1973 Term: Fixed term for a period of three years with effect from October 27, 2022. DIN: 07302844 Nationality: Indian	50	Executive Director	No 128/2, Ferns Residency, Narayapura Cross, Hennur Main Bengaluru – 560077
Pavitra Rajaram Occupation: Professional Date of birth: December 24, 1968 Term: Fixed terms for a period of five years with effect from April 26, 2023 DIN: 09322283 Nationality: Indian	55	Non-Executive Independent Director	2902. Tower-B. Vlvarea Raheja, Sane Guruji Marg, Saat Rasta, Mumbai - 400 011

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 49, and to the extent of respective shareholding, remuneration, 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 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 270 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 Placement Document, there are no outstanding loans to our Directors from our Company.

Shareholding of Directors

Our Articles of Association do not require our Directors to hold qualification shares. 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 Placement Document:

No.	Name of Director	Designation	No. of Equity Shares	Percentage shareholding in our Company (%)	No. of stock options held and outstanding (not vested)
1.	Sivaramakrishnan Ganapathi	Vice Chairman & Managing Director	10,00,000	1.58	8,00,000
2.	Sundararajan Poorana Seenivasan	Executive Director	1,64,243	0.26	4,00,000*
3.	Prabhat Kumar Singh	Whole-time Director	Nil	Nil	75,000

**Includes 50,000 employee stock options which are exercised on April 8, 2024, and are pending allotment*

Terms of appointment and remuneration of Executive Directors

Sivaramakrishnan Ganapathi

Sivaramakrishnan Ganapathi has been re-appointed as the Vice Chairman & Managing Director for a period of five consecutive years with effect from October 3, 2023 to October 2, 2028, pursuant to the resolution of our Nomination and Remuneration Committee dated August 7, 2023, a resolution of our Board dated August 7, 2023 and a resolution of our shareholders dated September 20, 2023. The total remuneration paid to Sivaramakrishnan Ganapathi for all services in all capacities to our Company for the Financial Year 2023 was ₹ 962.09 lakhs.

Prabhat Kumar Singh

Prabhat Kumar Singh has been re-appointed as the Whole-time Director for a period of three consecutive years with effect from November 12, 2021 to November 11, 2024, pursuant to the resolution of our Nomination and Remuneration Committee dated September 17, 2021, a resolution of our Board dated September 17, 2021 and a resolution of our shareholders dated December 11, 2021. The total remuneration paid to Prabhat Kumar Singh for all services in all capacities to our Company for the Financial Year 2023 was ₹ 65.00 lakhs.

Sundararajan Poorana Seenivasan

Sundararajan Poorana Seenivasan has been appointed as the Executive Director for a period of three consecutive years with effect from October 27, 2022 to October 26, 2025, pursuant to the resolution of our Nomination and Remuneration Committee dated October 27, 2022, a resolution of our Board dated October 27, 2022 and a resolution of our shareholders dated December 11, 2022. The total remuneration paid to Sundararajan Poorana Seenivasan for all services in all capacities to our Company, including contingent or deferred compensation accrued for the year during Financial Year 2023 (effective October 27, 2022) was ₹ 89.03 lakhs.

Remuneration of the Directors

A. Executive Directors

The following table set forth the remuneration paid by our Company to the Executive Directors during Fiscals 2024, 2023, 2022 and 2021:

(in ₹ lakhs)

Name of Directors	Fiscal 2024*	Fiscal 2023	Fiscal 2022	Fiscal 2021
Sivaramakrishnan Ganapathi	638.44	962.09	687.59	241.48
Prabhat Kumar Singh	62.50	65.00	65.00	40.00
Sundararajan Poorana Seenivasan#	166.90	89.03	NA	NA

** For the period from April 1, 2023 to December 31, 2023.*
 # Appointed with effect from October 27, 2022

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*) paid by our Company to the Non-Executive Director and the Independent Directors, during the during Fiscals 2024, 2023, 2022 and 2021:

(in ₹ lakhs)

Name	Fiscal 2024*	Fiscal 2023	Fiscal 2022	Fiscal 2021
Mathew Cyriac	10.40	14.40	14.40	12.80
Rama Bijapurkar#	6.40	2.40	NA	NA
George Varughese#	9.60	3.20	NA	NA
Shivanandan Ashok Dalvie#	6.40	1.60	NA	NA
Pavitra Rajaram##	2.40	NA	NA	NA

***** *For the period from April 1, 2023 to December 31, 2023.*
 # Appointed with effect from October 27, 2022
Appointed with effect from April 26, 2023

Prohibition by SEBI or Other Governmental Authorities

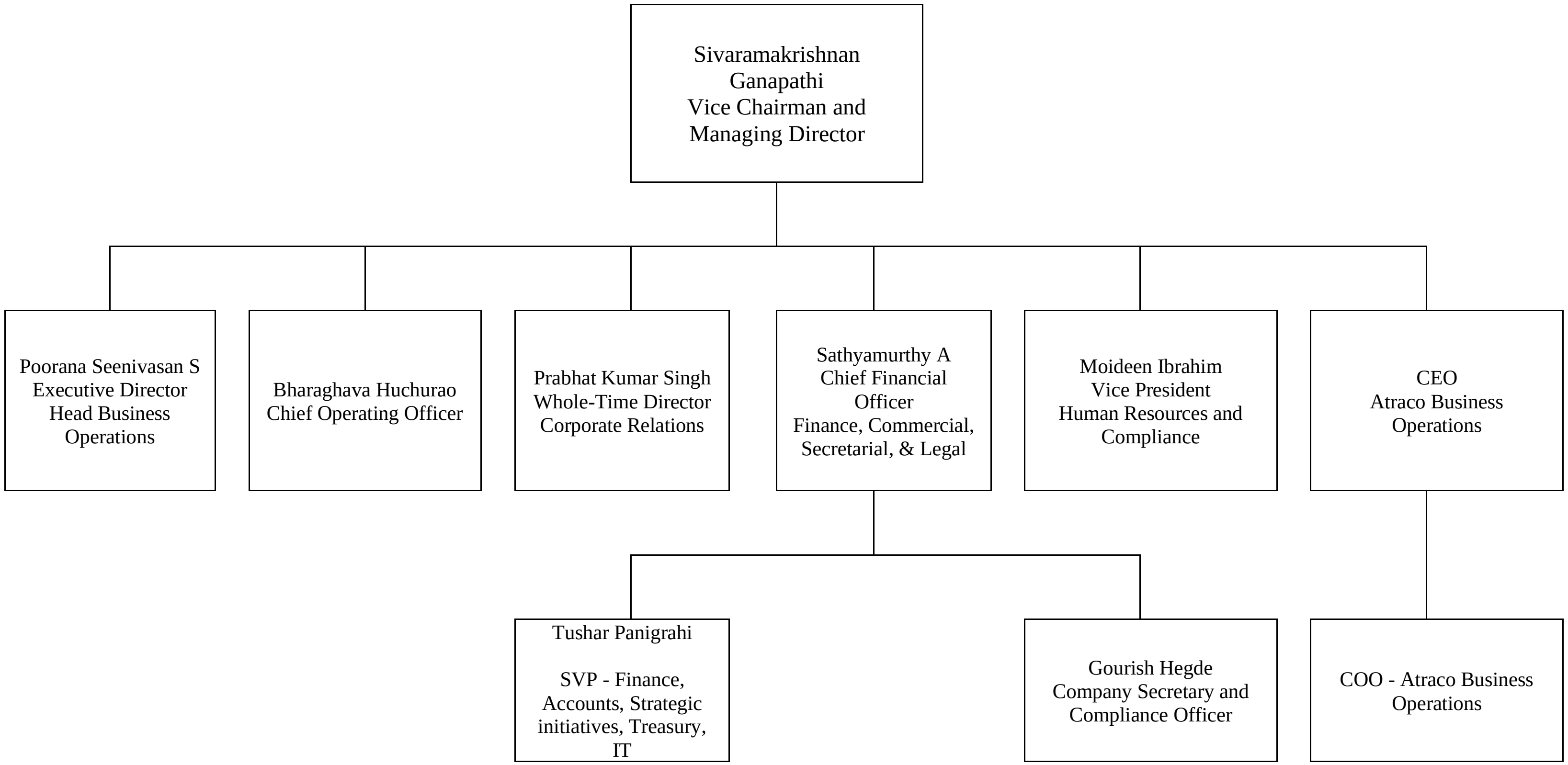
None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

None of our Directors or Promoters have been declared as a 'fraudulent borrower' by lending banks or financial institutions or consortiums.

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



Key Managerial Personnel

In addition to Sivaramakrishnan Ganapathi, our Vice Chairman & Managing Director and Prabhat Kumar Singh, our Whole-time Director, whose details are set out in "- *Board of Directors*" on page 210, the details of our other Key Managerial Personnel are given below:

Name of the Key Managerial Personnel	Designation	Date of Appointment
Sathyamurthy A	Chief Financial Officer	November 16, 2015
Gourish Hegde	Company Secretary and Compliance Officer	February 10, 2023

Senior Management Personnel

The details of our Senior Management Personnel are given below:

Name of the Senior Management Personnel	Designation	Date of Appointment
Bhargava Huchurao	Chief Operating Officer	November 2, 2023
Tushar Kanti Panigrahi	Senior Vice President – Finance	January 29, 2018
Moideen Ibrahim	Vice President – HR	October 1, 2021

As on the date of this Placement Document, all of the Key Managerial Personnel and Senior Management Personnel of our Company are the permanent employees of our Company.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

Except as stated below, and at *"- Shareholding of the Directors in our Company"* none of our Key Managerial Personnel or Senior Management Personnel holds any Equity Shares as on date of this Placement Document.

No.	Name of Key Managerial Personnel & Senior Management Personnel	No. of Equity Shares held	Percentage shareholding in our Company (%)	No. of stock options held and outstanding
1.	Sathyamurthy A	1,25,000	0.20	2,50,000
2.	Tushar Kanti Panigrahi	50,000	0.08	1,00,000
3.	Bhargava Huchurao	Nil	Nil	Nil
4.	Moideen Ibrahim	Nil	Nil	50,000
5.	Gourish Hegde	Nil	Nil	10,000

Interest of Key Managerial Personnel and Senior Management Personnel

Except to the extent of Equity Shares held and outstanding stock options by the Key Managerial Personnel or Senior Management Personnel of our Company mentioned above and interests as disclosed under " *- Interest of Directors"* on page 212, 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 or GEL Employee Stock Option Plan 2022, the Key Managerial Personnel or 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 Key Management Personnel and Senior Management Personnel are related to each other.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

Our Company does not have any bonus or profit-sharing plan with the Key Management Personnel or Senior Management Personnel.

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;
(iv) Corporate Social Responsibility Committee; and
(v) Risk Management Committee.

The following table sets forth the details of the members of the aforesaid committees as of the date of this Placement Document:

Committee	Name of the member	Capacity
Audit Committee	George Varughese	Chairperson
	Mathew Cyriac	Member
	Shivanandan Ashok Dalvie	Member
Nomination and Remuneration Committee	Rama Bijapurkar	Chairperson
	Mathew Cyriac	Member
	George Varughese	Member
Stakeholders' Relationship Committee	Shivanandan Ashok Dalvie	Chairperson
	Mathew Cyriac	Member
	Sivaramakrishnan Ganapathi	Member
Corporate Social Responsibility Committee	Sivaramakrishnan Ganapathi	Chairperson
	Rama Bijapurkar	Member
	Mathew Cyriac	Member
Risk Management Committee	Mathew Cyriac	Chairperson
	George Varughese	Member
	Sivaramakrishnan Ganapathi	Member

Other confirmations

Except as disclosed in this 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 or Senior Management Personnel of our Company intend to subscribe to the Issue.

No change in control in our Company will occur consequent 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 nine months period ended December 31, 2023, see "*Financial Information*" on page 270. 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 99.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to formulate and implement a code of internal practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct namely, '*Code Of Conduct For Prevention Of Insider Trading'***,** in terms of which, Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN

The following table sets forth the shareholding pattern of our Company as on March 31, 2024:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equit shares held (IV)	No. of Partly paid-u equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding a % of total n 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 percentage of diluted share capital) (XI)= (VII)+(As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights Class eg: X	Cla ss s eg: y	Total	Total as a % of (A+B + C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
A	Promoter & Promoter Group	2	67,05,348	0	0	67,05,348	10.58	67,05,348	0	67,05,348	10.58	0	10.58	0	0	0	0	67,05,348
B	Public	67,058	5,66,77,512	0	0	5,66,77,512	89.42	5,66,77,512	0	5,66,77,512	89.42	0	89.42	27,31,366	4.82	0	0	5,39,45,534
C	Non Promoter- Non Public	0	0	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	0	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	67,060	6,33,82,860	0	0	6,33,82,860	100	6,33,82,860	0	6,33,82,860	100	0	100	27,31,366	4.82	0	0	6,06,50,882

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

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 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 shares 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	0.39	2,49,391	0	2,49,391	0.39	0	0.39	0	0	0	0	2,49,391
	GAUTHAM MADHAVAN	1	2,49,391	0	0	2,49,391	0.39	2,49,391	0	2,49,391	0.39	0	0.39	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	64,55,957	0	0	64,55,957	10.19	64,55,957	0	64,55,957	10.19	0	10.19	0	0	0	0	64,55,957
	Bodies Corporate	1	64,55,957	0	0	64,55,957	10.19	64,55,957	0	64,55,957	10.19	0	10.19	0	0	0	0	64,55,957
	CLEAR WEALTH CONSULTANCY SERVICES LLP	1	64,55,957	0	0	64,55,957	10.19	64,55,957	0	64,55,957	10.19	0	10.19	0	0	0	0	64,55,957
	Sub-Total (A)(1)	2	67,05,348	0	0	67,05,348	10.58	67,05,348	0	67,05,348	10.58	0	10.58	0	0	0	0	67,05,348
2	Foreign	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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**	**67,05,348**	**0**	**0**	**67,05,348**	**10.58**	**67,05,348**	**0**	**67,05,348**	**10.58**	**0**	**10.58**	**0**	**0**	**0**	**0**	**67,05,348**

Table III - Statement showing shareholding pattern of the Public shareholder

Category .	Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s 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 % calculate d 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 dematerialize d form (XIV)
								No of Voting Rights			Total as a % of Total Vo			No. (a)	As a % of total Shares	No. (Not a)	As a % of total shares	
								Class X	Class Y	Tot al								
B1	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B2	Institutions (Domestic)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Mutual Funds/	11	1,65,77,767	0	0	1,65,77,767	26.15	1,65,77,767	0	1,65,77,767	26.15	0	26.15	0	0	0	0	1,65,77,767
	SBI MAGNUM MIDCAP FUND	1	59,59,930	0	0	59,59,930	9.40	59,59,930	0	59,59,930	9.40	0	9.40	0	0	0	0	59,59,930
	TATA MUTUAL FUND - TATA SMALL CAP FUND	1	15,03,967	0	0	15,03,967	2.37	15,03,967	0	15,03,967	2.37	0	2.37	0	0	0	0	15,03,967
	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMA	1	41,03,779	0	0	41,03,779	6.47	41,03,779	0	41,03,779	6.47	0	6.47	0	0	0	0	41,03,779
	HSBC TAX SAVER EQUITY FUND	1	27,90,400	0	0	27,90,400	4.40	27,90,400	0	27,90,400	4.40	0	4.40	0	0	0	0	27,90,400
	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	1	15,93,947	0	0	15,93,947	2.51	15,93,947	0	15,93,947	2.51	0	2.51	0	0	0	0	15,93,947
	Alternate Investment Funds	7	6,42,791	0	0	6,42,791	1.01	6,42,791	0	6,42,791	1.01	0	1.01	0	0	0	0	6,42,791
	Insurance Companies	2	18,17,578	0	0	18,17,578	2.87	18,17,578	0	18,17,578	2.87	0	2.87	0	0	0	0	18,17,578
	SBI LIFE INSURANCE CO. LTD	1	10,71,829	0	0	10,71,829	1.69	10,71,829	0	10,71,829	1.69	0	1.69	0	0	0	0	10,71,829
	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	1	7,45,749	0	0	7,45,749	1.18	7,45,749		7,45,749	1.18	0	1.18	0	0	0	0	7,45,749
	NBFCs registered with RBI	1	4,904	0	0	4,904	0.01	4,904	0	4,904	0.01	0	0.01	0	0	0	0	4,904
	Sub-Total (B)(2)	21	1,90,43,040	0	0	1,90,43,040	30.04	1,90,43,040	0	1,90,43,040	30.04	0	30.04	0	0	0	0	1,90,43,040
B3	Institutions (Foreign)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Foreign Portfolio Investors Category I	92	1,18,87,306	0	0	1,18,87,306	18.75	1,18,87,306	0	1,18,87,306	18.75	0	18.75	0	0	0	0	1,18,87,306

Category .	Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s 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 % calculate d 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 dematerialize d form (XIV)
								No of Voting Rights			Total as a % of Total Vo			No. (a)	As a % of total Sha r es	No. (Not a	As a % of total sha re s	
								Class X	Clas s Y	Tot al								
	GOLDMAN SACHS FUNDS - GOLDMAN SACHS INDIA EQUITY P	1	33,12,165	0	0	33,12,165	5.23	33,12,165	0	33,12,165	5.23	0	5.23	0	0	0	0	33,12,165
	GOLDMAN SACHS COLLECTIVE TRUST - EMERGING MARKETS	1	7,20,634	0	0	7,20,634	1.14	7,20,634	0	7,20,634	1.14	0	1.14	0	0	0	0	7,20,634
	ABU DHABI INVESTMENT AUTHORITY - MONSOON	1	17,58,935	0	0	17,58,935	2.78	17,58,935	0	17,58,935	2.78	0	2.78	0	0	0	0	17,58,935
	Foreign Portfolio Investors Category II	12	15,57,431	0	0	15,57,431	2.46	15,57,431	0	15,57,431	2.46	0	2.46	0	0	0	0	15,57,431
	Sub-Total (B)(3)	104	1,34,44,737	0	0	1,34,44,737	21.21	1,34,44,737	0	1,34,44,737	21.21	0	21.21	0	0	0	0	1,34,44,737
B4	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B5	Non-institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Directors and their relatives (excluding independent directors and nominee directors)	2	11,64,174	0	0	11,64,174	1.84	11,64,174	0	11,64,174	1.84	0	1.84	0	0	0	0	11,64,174
	SIVARAMAKRISHNAN GANAPATHI	1	10,00,000	0	0	10,00,000	1.58	10,00,000	0	10,00,000	1.58	0	1.58	0	0	0	0	10,00,000
	Key Managerial Personnel	1	1,25,000	0	0	1,25,000	0.20	1,25,000	0	1,25,000	0.20	0	0.20	0	0	0	0	1,25,000
	Resident Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	63,734	89,29,289	0	0	89,29,289	14.09	89,29,289	0	89,29,289	14.09	0	14.09	0	0	0	0	89,28,677
	Resident Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	27	62,91,750	0	0	62,91,750	9.93	62,91,750	0	62,91,750	9.93	0	9.93	0	0	0	0	62,91,750

Category .	Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s 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 % calculate d 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 dematerialize d form (XIV)
								No of Voting Rights			Total as a % of Total Vo			No. (a)	As a % of total Shar es	No. (Not a	As a % of total sha re s	
								Class X	Class Y	Tot al								
	PATHIK SHYAMSUNDER GANDOTRA	1	8,95,004	0	0	8,95,004	1.41	8,95,004	0	8,95,004	1.41	0	1.41	0	0	0	0	8,95,004
	SANKARANARAYANAN SANGAMESWARAN	1	8,00,000	0	0	8,00,000	1.26	8,00,000	0	8,00,000	1.26	0	1.26	0	0	0	0	8,00,000
	CHETAN JAYANTILAL SHAH	1	8,80,000	0	0	8,80,000	1.39	8,80,000	0	8,80,000	1.39	0	1.39	0	0	0	0	8,80,000
	Non Resident Indians (NRIs)	1,644	5,93,849	0	0	5,93,849	0.94	5,93,849	0	5,93,849	0.94	0	0.94	0	0	0	0	5,93,849
	Bodies Corporate	632	65,94,674	0	0	65,94,674	10.40	65,94,674	0	65,94,674	10.40	0	10.40	27,31,366	41.42	0	0	38,63,308
	CATAMARAN VENTURES LLP	1	6,78,003	0	0	6,78,003	1.07	6,78,003	0	6,78,003	1.07	0	1.07	0	0	0	0	6,78,003
	SIDDHANT COMMERCIALS PRIVATE LIMITED	1	19,69,702	0	0	19,69,702	3.11	19,69,702	0	19,69,702	3.11	0	3.11	0	0	0	0	19,69,702
	MATRIX CLOTHING PRIVATE LIMITED	1	27,31,366	0	0	27,31,366	4.31	27,31,366	0	27,31,366	4.31	0	4.31	27,31,366	100	0	0	-
	Any Other (specify)	893	4,90,999	0	0	4,90,999	0.77	4,90,999	0	4,90,999	0.77	0	0.77	0	0	0	0	4,90,999
	Trusts	6	8,625	0	0	8,625	0.01	8,625	0	8,625	0.01	0	0.01	0	0	0	0	8,625
	Clearing Members	6	1,773	0	0	1,773	0.00	1,773	0	1,773	0.00	0	0.00	0	0	0	0	1,773
	HUF	881	4,80,601	0	0	4,80,601	0.76	4,80,601	0	4,80,601	0.76	0	0.76	0	0	0	0	4,80,601
	Sub-Total (B)(5)	66,933	2,41,89,735	0	0	2,41,89,735	38.16	2,41,89,735	0	2,41,89,735	38.16	0	38.16	27,31,366	11.29	0	0	2,14,57,757
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+(B)(4)+ +(B)(5)	**67,058**	**5,66,77,512**	**0**	**0**	**5,66,77,512**	**89.42**	**5,66,77,512**	**0**	**5,66,77,512**	**89.42**	**0**	**89.42**	**27,31,366**	**4.82**	**0**	**0**	**5,39,45,534**

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								
C1	Custodian/DR Holder	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C2	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

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* 241 *and* 248, *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 that may occur after the date of this 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 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.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed 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 and Section 42 and 62 other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, a listed company in India may issue eligible securities to Eligible QIBs on a private placement basis provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of such issuer, which are proposed to be allotted through the QIP, are 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 seek approval of the shareholders for 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;

- the Directors are not declared as "Fraudulent Borrower" by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016;
- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;
- the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act;
- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;
- the Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and
- At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation 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.

Bidders were not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Prospective purchasers were required to make certain representations, warranties and undertakings in order to participate in the Issue. Prospective purchasers are 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" as defined and in reliance on 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*" beginning on pages 5, 241 and 248, respectively of this Placement Document.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the Floor Price could be provided in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated February 1, 2024 and our Shareholders through a special resolution on February 29, 2024, have offered a discount of ₹ 14.99 constituting 1.90% of the Floor Price.

The "relevant date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decided to open the proposed issue and "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 shares has been recorded during the two weeks immediately preceding the relevant date.

The 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 subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this 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 our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to 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 the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process - Application Form*" on page 232.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue on the Stock Exchanges. We have filed copies of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on February 1, 2024, and our Shareholders by way of a special resolution dated on February 29, 2024 at the EGM.

Allotments made to VCFs and AIFs 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. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such 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 U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where those offers and sales are made.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the BRLM circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form were specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company has maintained complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Forms were dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and PAS Rules.

2. **The list of Eligible QIBs to whom the Application Form and serially numbered Preliminary Placement Document have been delivered were determined by our Company in consultation with the BRLM. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was to be deposited, was addressed to a particular Eligible QIB, no invitation to subscribe was deemed to have been made to such Eligible 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 was deemed to have been made to such person and any application that did not comply with this requirement is treated as invalid. The Application Form could 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 were allowed to submit an unsigned copy of the Application Form, as long as the Bid**

Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and was not allowed to be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids were made on behalf of the Eligible QIB and the Application Form was unsigned, it is assumed that the person which submitted the Application Form and provided necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Eligible QIBs could submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLM.

4. Bidders were required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they were agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - 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*" beginning on pages 3, 5, 225, 241, and 248, respectively, which will be incorporated by reference; details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Bidder in our Company prior to the Issue; and

   - it has agreed to certain other representations set forth in the Application Form and the Preliminary Placement Document.

   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in the Preliminary Placement Document and in the Application Form.

   NOTE**:** *Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could 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 is not treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid were made. Application by various schemes or funds of a Mutual Fund were treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them could not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

5. Bidders were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "Gokaldas Exports Limited – Escrow A/C 2024" with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company has maintained a record of the bank account from where such payment has been received. No payment was allowed to be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appeared first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares are kept by our Company in a separate bank account with a

scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowered or has withdrawn their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 236.

6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such application constituted an irrevocable offer and the Bid was not allowed to be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form. In case of Bids were made on behalf of the Eligible QIB where the Application Form was unsigned, it was 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 was authorised to do so.

7. The Bidder acknowledges that in accordance with the requirement of the Companies Act, pursuant to Allocation, our Company has disclosed the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and have consented to such disclosure, if any Equity Shares are allocated to it.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company, in consultation with BRLM has determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, has sent the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder are deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation has been made at the absolute discretion of our Company, in consultation with the BRLM.**

9. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, 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 dispatch of a serially numbered CAN.

10. 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. Our Company will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

16. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, will be considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by 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 eligible to invest in India;
- Mutual Funds, VCFs, AIFs;
- pension funds with minimum corpus of ₹ 2,500 lakhs;
- provident funds with minimum corpus of ₹ 2,500 lakhs;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs could participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue 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 within the above prescribed time, 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 our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors 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.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited 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, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. 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.

Eligible FPIs were 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 the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 241 and 248, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoters:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible 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 the promoters.

Our Company, the BRLM and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or

change to applicable laws or regulations, that may occur after the date of the Preliminary Placement Document and this Placement Document.

Eligible QIBs were advised to make their independent investigations and satisfy that they were eligible to apply. Eligible QIBs were advised to ensure that any single application from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable law or regulation or as specified in this Placement Document.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds.

Note: *Affiliates or associates of the BRLM who are Eligible QIBs could participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders were to only use the serially numbered Application Forms (which were addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document and this Placement Document, the Bidder was deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Transfer Restrictions"* on pages 3, 5, 241 and 248, respectively:

1. Each Bidder 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 in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those 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(s);

4. Each Bidder 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 or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, 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. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid 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, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM.

12. The Bidder 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) 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 Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Bidders acknowledge 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.

14. Each Bidder confirms that it 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.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges 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) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder 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. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

BIDDERS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLM, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WAS ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs WHO SUBMITTED A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE 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 Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed to be valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount was required to be deposited in the Escrow Account as was specified in the Application Form and the Application Form was required to be submitted to the BRLM either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and e-mail	Phone (Telephone)
IIFL Securities Limited	24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013 Maharashtra, India	Devendra Maydeo/Nishita Mody	Website: www.iiflcap.com E-mail: gokaldas.qip@iiflcap.com	+91 22 46464728

The BRLM were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms were required to be duly completed and Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "Gokaldas Exports Limited – Escrow A/C 2024" with the Escrow Bank, in terms of the Escrow Agreement. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders were required to make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were required to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Gokaldas Exports Limited – Escrow A/C 2024" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue.

Pricing and Allocation

There is a minimum pricing requirement 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 quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company has offered a discount of ₹ 14.99 constituting 1.90 % of the Floor Price in accordance with the approval of our Shareholders by way of a special resolution dated February 29, 2024 in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLM, has determined the Issue Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decided to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares 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. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed this Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book was maintained by the BRLM.

Method of Allocation

Our Company has determined the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Bidders were made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size was undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM was authorised to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs TO NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLM AND ELIGIBLE QIBs MAY NOT HAVE RECEIVED ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, has decided the Successful Bidders. Our Company has dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them has been notified to such Successful Bidders. The CAN included details of amount to be refunded, if any, to such Bidders. Additionally, the CAN included the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs is deemed to be a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board / its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB were deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 3 and further that 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 Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued, and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as the Placement Document, which included names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. 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 the Issue, namely, 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 this Placement Document.

8. 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 this Placement Document.

Refunds

In the event that 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 Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder has lowered or withdrawn the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The

Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve 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 into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until receipt of notice from the BRLM, the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form were required to be submitted with the Company/BRLM as soon as practicable.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN (except Bids from any category of Bidders, which could be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card was required to be submitted with the Application Form. Further, the Application Forms submitted without this information were considered incomplete and were liable to be rejected. Applicants were not required to submit the GIR number instead of the PAN as the Application Form was liable to be rejected on this ground.

Bank account details

Each Bidder was required to mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLM, could have rejected Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids is final and binding. In the event the Bid was rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 232 and 236 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB which which has applied ying for Equity Shares and to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

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.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

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 has 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

This 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.

The Preliminary Placement Document and this Placement Document have 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 and its 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 10.

From time to time, the Book Running Lead Manager and its 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 its affiliates.

Lock-up

The 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 it 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 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 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 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 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 3, 5 and 248, respectively.

Republic of India

This 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 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.

Bahrain

This Placement Document may only be distributed to Accredited Investors as defined by the Central Bank of Bahrain and the Equity Shares offered in the Issue may be offered and sold only to Accredited Investors as defined by the Central Bank of Bahrain by way of private placement in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to purchase the Equity Shares in the Issue may be to the public in the Kingdom of Bahrain and this Placement Document may not be issued, passed to, or made available to the public generally.

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Placement Document or the performance of the Equity Shares, 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.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL.

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 Book Running Lead Manager 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 Book Running Lead Manager 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 Book Running Lead Manager of such fact in writing and has received the consent of the Book Running Lead Manager 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 Book Running Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

This Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this 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 this Placement Document, they should obtain independent professional advice.

This 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. This 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 this 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 this Placement Document may issue, circulate or distribute this Placement Document in Hong Kong or make or give a copy of this 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 Placement Document have the meanings given to those terms in the FIEL.

Kuwait

This 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 Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Placement Document does not constitute a public offering. This Placement Document is for the exclusive use of the person to whom it has been given by the Book Running Lead Manager and is a private concern between the sender and the recipient.

Oman

This 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 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 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 Book Running Lead Manager 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. The Book Running Lead Manager is not 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. The Book Running Lead Manager does not 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 Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This 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 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 the Equity Shares in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this 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 Book Running Lead Manager are 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 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 Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the Book Running Lead Manager are not, by distributing this 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 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 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. This 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. This 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 licenced by or registered with any licensing authorities within the QFC.

Singapore

This 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 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 Korea (Republic of 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 offering of the Equity Shares offered in the Issue in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering in Switzerland is directed only at investors classified as "professional clients" within the meaning of the FinSA and the Equity Shares offered in the Offer will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Issue.

No key information document under article 58 of the FinSA or article 59(2) of the FinSA in respect of the Issue has been prepared and published. Accordingly, the Equity Shares offered in the Issue may not be offered to "private clients" within the meaning of the FinSA in Switzerland.

Each person in Switzerland who acquires Equity Shares in the Issue shall be deemed to have represented to our Company and the Book Running Lead Manager that it is a "professional client" within the meaning of the FinSA and that it has not opted-in to be treated as a "private client" on the basis of article 5(5) of the FinSA.

This document is not intended to constitute an advertising document within the meaning of article 68 of the FinSA and article 95 of the Swiss Federal Financial Services Ordinance.

The Equity Shares do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**") thereunder. Accordingly, neither the Equity Shares nor the Shareholders benefit from protection under the Swiss Federal Act on Collective Investment Schemes or supervision by FINMA.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion**") of this 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 this Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this 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 this 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 this Placement Document and nor does any such entity accept any liability for the contents of this 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. This Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved this 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 this 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 this 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 Book Running Lead Manager 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 Book Running Lead Manager 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.

This 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"). This Placement Document is directed only at relevant persons. Other persons should not act on this Placement Document or any of its contents. This 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 U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and 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 248. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 248.

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 Book Running Lead Manager 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 Book Running Lead Manager 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 Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

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 9, 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. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Further, pursuant to the budget for financial year 2020, SEBI has been authorised to consider increasing the minimum public shareholding requirement to 35%. 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.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

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, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

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. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

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 ₹ 42,50,00,000 divided into 8,50,00,000 Equity Shares of ₹ 5 each. As on the date of this Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 31,69,14,300 divided into 6,33,82,860 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 the Preliminary Placement Document and this 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 SPECIAL 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 special taxation aspects in relation to eligible securities applicable to Gokaldas Exports Limited and its shareholders], prepared in accordance with the requirements under Schedule VII (18) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

1. We, M S K A & 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 taxation aspects in relation to eligible securities under Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Act"), The Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24, Foreign Trade Policy 2023, read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws"), Income-tax Act, 1961 ('IT Act') read with the Income-tax Rules, 1962, ('IT Rules'), regulations, circulars and notifications issued thereon (hereinafter referred to as Taxation Law), as applicable to the assessment year ('AY') 2024-25 and 2025-26 relevant to the financial year ('FY') 2023-24 and 2024-25, available to the Company and its shareholders ('Shareholders') identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. 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 Taxation Law. Hence, the ability of the Company and its Shareholders to become eligible to be governed by such taxation aspects is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its Shareholders face in the future, the Company and its Shareholders may or may not choose to fulfil.

2. This statement of possible special tax benefits is required as per Schedule VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Law other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit 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.

3. Our views are based on the existing provisions of law 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.

4. The tax benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

5. The possible special 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. 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.

6. 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.

7. 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 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.

8. We conducted our examination of the report in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

10. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Preliminary Placement Document, Placement Document and any other material in connection with the proposed offering 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 without our prior consent in writing. 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 **M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

Pankaj S Bhauwala
Partner
Membership No: 233552
UDIN: 24233552BKBKJP2536

Place: Bengaluru
Date: April 18, 2024

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA – INDIRECT TAX LAWS

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Act"), The Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24, Foreign Trade Policy 2023, read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws")

A. Special tax benefits available to the Company

1. <u>Benefit of Export Promotion Capital Goods scheme (EPCG) under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):</u>

   The Company is availing benefit under the export promotion capital goods scheme covered under chapter 5 of the FTP wherein it is eligible to undertake duty free import of capital goods which are used in manufacturing of goods. Under the scheme, the Company is required to fulfill an export obligation i.e. undertake export of goods within a prescribed time period.

2. <u>Benefits of Advance Authorization under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):</u>

   The Company is availing benefit under the Advance Authorization scheme covered under chapter 4 of the FTP wherein it is eligible to undertake duty free import of inputs, which is physically incorporated in manufacturing goods for export purposes (making normal allowance for wastage). Under this scheme, the Company is under obligation to undertake export of goods within a prescribed time period.

3. <u>Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:</u>

   As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on goods manufactured in India and exported. The Company avails duty drawback benefit as per the All Industry Rate (AIR) in the duty drawback schedule.

4. <u>Benefits of Remission of Duties and Taxes on Export Products ("RoDTEP") Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):</u>

   This scheme provides rebate of duties/ taxes / levies (which are not refunded under any other existing schemes), at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect duties/ taxes / levies in respect of distribution of exported product. The Company avails RoDTEP benefit as notified, on exported products. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified.

5. <u>Benefits of Rebate on State and Central Taxes and Levies (RoSCTL) Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):</u>

   This scheme was notified by the Ministry of Textiles vide notification No. 14/26/2016-IT dated 07.03.2019 and implemented by the DGFT. The Government had extended continuation of RoSCTL scheme on exports of Apparel/Garments (Chapters-61 & 62) and Made-ups (Chapter-63) till 31st March 2024 vide Notification dated 13.08.2021 in order to make textiles products cost competitive and to provide stability to the export policy regime. The Government has decided to continue the RoSCTL scheme for a period of 2 years beyond 1st April 2024 and upto 31st March 2026 for apparel/garments (under Chapter 61 and 62) and made-ups (under Chapter 63) in exclusion of RoDTEP for these Chapters. The Company is availing the benefits under the RoSCTL in the form of scrips which are utilized in payment of customs duty on subsequent imports.

6. Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder):

   Under GST regime, the exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking ("LUT") without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

   The Company is following the former method of undertaking the exports without payment of tax by executing a LUT and then availing refund of unutilized ITC under Section 54 of the CGST Act, 2017.

B. Special tax benefits available to the shareholders of the Company

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. This Annexure sets out only the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Act"), The Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24, Foreign Trade Policy 2023, read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India

2. The special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of various Indirect Tax law provisions listed above. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

3. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed IPO.

4. During the period from 1 April 2023 to 31 December 2023, the Company intends to:
   i. avail above mentioned exemption, benefits and incentives under indirect tax laws
   ii. export goods and/ or services outside India
   iii. import goods and/ or services from outside India

5. This Annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

6. The above views are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAXATION LAW IN INDIA-DIRECT TAX LAWS

The information provided below sets out the possible special tax benefits available to the Company and its Shareholders under the Taxation Law 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 SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER IT ACT READ WITH IT RULES, CIRCULARS, NOTIFICATION AND REGULATIONS

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

- Section 115BAA of the IT Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that a domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) from the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or specified brough forward losses and depreciation/ unabsorbed depreciation and by claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA of the IT Act, 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 has represented to us that it has opted for concessional tax regime under section 115BAA of the IT Act for AY 2021-22 and onwards.

- In accordance with and subject to fulfilment of conditions as laid out under Section 80JJAA of IT Act the Company may be entitled to claim deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

- In case of dividend received by the Company from any other domestic company or a foreign company or a business trust in a financial year, the Company shall be eligible to claim a deduction under section 80M of the IT Act subject to fulfilment of prescribed conditions. The amount of such deduction would be restricted to the amount of the dividend distributed by the Company upto one month prior to due date of furnishing the income-tax return under section 139(1) of the IT Act for the relevant year.

POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

- Section 112A of the IT Act provides for concessional rate of tax on certain long term capital gains 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 more than 12 months) 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.

- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile and also subject to non-resident having necessary documentation as required under the IT Act.

For Gokaldas Exports Limited

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 18, 2024

LEGAL PROCEEDINGS

As on date of this Placement Document, except as disclosed below, there are no outstanding litigation, suits, including any tax proceedings or any other claims, disputes, legal or show cause notices, investigations or complaints determined as material in accordance with the Company's 'Policy on Disclosure of Material Events / Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations.

*Notwithstanding such materiality policy approved by our Fund Raising Committee, solely for the purpose of the Issue, in accordance with the resolution passed by our Fund Raising Committee on March 13, 2024, except as disclosed in this section, there are no: (i) outstanding criminal proceedings involving our Company, or its Subsidiaries (collectively, "**Relevant Parties**"); (ii) outstanding actions by statutory or regulatory authorities against our Company or its Subsidiaries along with any show cause notices received from a statutory or regulatory authority by our Company or its Subsidiaries ; (iii) a consolidated disclosure of all claims related to direct and indirect taxes involving our Company and/or Subsidiaries; (iv) outstanding civil litigation proceedings involving our Company and/or Subsidiaries, which involve an amount equivalent to or above ₹ 5.28 crores which is 5% of the average of absolute value of profit or loss after tax as per the last three audited consolidated financial statements of the Company for the financial years ended March 2021, March 31, 2022 and March 31, 2023; (v) other outstanding proceedings involving our Company and/or 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 business, operations, performance, prospects, financial position or reputation of the Company and (vi) all legal proceedings involving the promoters or directors of our Company, which, if result in an adverse outcome, would materially and adversely affect the financial position, business, operations, prospects, or reputation of the Company.*

Further, pre-litigation notices received by any of the Relevant Parties, from third parties (excluding statutory/regulatory/ judicial/quasi-judicial/government/tax authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of the Relevant Parties, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Further, as on date of this Placement Document, 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 immediately preceding the year of issue of this 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, under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this 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 Placement Document involving our Company; (iii) our Company has no defaults in repayment of (a) statutory dues, (b) debentures and interest thereon, (c) deposits and interest thereon and (d) loans from any bank or financial institution and interest thereon (except where there is dispute under litigation); (iv) 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 fraud committed against our Company in the last three years preceding the issue of this Placement Document; and (vii) there are no reservations, qualifications or adverse remarks of auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the year of the issue of this Placement Document.

Summaries of certain legal proceedings and certain other proceedings which may be construed as material for the purpose of this section of this Placement Document, are set forth below:

I. Litigation involving our Company

(a) Civil proceedings

Against our Company

There are no outstanding civil proceedings against our Company in accordance with Materiality Policy.

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 filed a civil suit against H&H Asia Group Ltd. and Unik Technologyz (collectively, "**H&H**") in the court of City Civil Judge at Bangalore on April 20, 2023 alleging that H&H supplied defective adhesive tapes, which were used by the Company in preparation of PPE kits and caused significant losses to the Company. H&H supplied adhesive tapes, pursuant to purchase orders placed by the Company for preparation of PPE kits and out of total 6 lots supplied by H&H, one of the lots was allegedly defective and did not adhere to quality standards. Owing to supply of such defective adhesive tape, there was a massive return of PPE kits supplied by the Company to its customers, lead to cancellation of subsequent orders resulting in financial loss of ₹ 5.25 crores to the Company. Despite of repetitive requests made by the Company to H&H for return of defective goods and for consequent refund of amount paid by the Company for such defective goods (including by way of legal notices issued by the Company dated *inter-alia* July 7, 2021, July 15, 2021 and November 8, 2021), H&H allegedly refused to collect back the defective goods and accordingly civil suit was filed by the Company against H&H requesting for (a) payment of ₹ 6.91 crores, inclusive of interest and (b) cost of the civil suit. The matter is currently pending.

(b) *Criminal proceedings*

Against our Company

(i) Our Company has been impleaded as a party in a legal proceeding listed before Chief Metropolitan Magistrate Court, Bengaluru by the Government of India represented by B Karibasappa. However, 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*" on page 68.

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, 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.

(iii) Our Company invested in 33% of share capital of the 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, business operation plans, 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) Our Company has preferred an appeal ("**Appeal**") before the Employees Provident Funds Appellate Tribunal, Delhi ("**EPFO Tribunal**") against the Regional Provident Fund Commissioner – I, Regional Office, Peenya, Bangalore ("**RPF**") in relation to orders passed by RPF dated August 23, 2018 ("**RPF Order**"). RPF Order alleged non-payment of certain dues by the Company for the period from June 2008- July 2008 in relation to, *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, and accordingly directed the Company to pay damages of a sum of ₹ 6.96 lakhs, along with the interest of ₹ 3.47 lakhs. Our Company by way of Appeal submitted that it has not committed any wilful default in paying contribution and has only adjusted payment of contributions already made on leave encashment against the future liabilities, in accordance with directions issued by the Hon'ble Supreme Court of India in the matter of M/s Manipal Academy for Higher Education. Accordingly, pursuant to Appeal, our Company has requested to quash RPF Order and pending final decision of EPFO Tribunal on Appeal has sought interim relied to allow stay on the enforcement of RPF Order. Similarly 16 of our other units had received orders and notices from Regional Provident Fund Commissioner, Peenya, Bangalore 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, aggregating to an amount of ₹ 123.17 lakhs comprising contributions to be made to EPFO, penal damages and interest on contribution ("**Orders**"). Subsequently, our units have preferred an appeal against the Orders before the EPFO Tribunal. The matters are currently pending before EPFO.

(ii) Certain units of our Company and our Subsidiary, SNS Clothing Private Limited, are in receipt of notices from the Employee Provident Fund Organisation ("**EPFO**") in relation to auto-calculated damages and the interest payable on them, under Sections 14B and 7Q of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, respectively, for an amount aggregating to ₹22.92 lakhs. Further, certain units of our Company also received notices from the EPFO, in relation to the Aatmanirbhar Bharat Rozgar Yojana.

(iii) A unit of our Company received a notice dated December 15, 2023 from the office of the Deputy Director General & Statistics Officer for the submission of information for the Annual Survey of Industries ("**ASI**") return under the provisions of the Collection of Statistics Act, 2009, as amended and the rules made thereunder.

(iv) Certain units of our Company are in receipt of notices from the Employees' State Insurance Corporation ("**ESIC**") alleging non-payment of contribution within stipulated time as prescribed under the Employees' State Insurance (General) Regulation, 1950. Our Company is in the process of replying to these notices.

(v) The Global Garments unit of our Company (the "**Unit**") received a notice dated September 14, 2023 from the Deputy Director, Handlooms and Textiles Departments, directing the Company to produce documentation vis-à-vis conversion of the land on which the Unit was established to a land being used for industrial purposes.

(vi) Our Company received a notice dated July 18, 2023 from Bangalore Water Supply and Sewerage Board (the "**Notice**"), in relation to the water supply connection at a site of the Company. The Notice directed Company to furnish documentary evidence of payment of the prorate charges, GBWASP charges and other deposit charges (the "**Relevant Charges**")in relation to the additional floor and building constructed at the original site of the Company. Further, the Notice mentioned that in case of non-payment of the Relevant Charges, the Company was directed to file relevant documents, including *inter alia*, sanction plan, sale deed for assessing the Relevant Charges for the additional floor and building.

(vii) Karnataka State Pollution Control Board ("**KSPCB**") inspected the M/s Venkateshwara Clothing Company-II, a unit of our Company (the "**Unit**") on September 6, 2021, pursuant to which our Company received a show cause notice dated September 8, 2021, from the KSPCB (the "**Show-cause Notice**"). The Show-cause Notice observed, *inter alia,* the Unit had not provided dust collectors to control emissions from the boilers as required under the consent for operation issued to the Unit. Our Company is in the process of replying to the Show-cause Notice.

(viii) KSPCB inspected a unit of our Company on December 8, 2023 (the "**Inspection**") and collected a sample of the treated sewage effluent (the "**Sample**"). Pursuant to the Inspection, our Company received a notice dated January 25, 2024 (the "**Notice**"), wherein KSPCB observed that upon analysis of the Sample, it was found that the COD, total suspended solids, total nitrogen and fecal coliform levels in the Sample, were not meeting the standards stipulated under the applicable law. Accordingly, the Notice directed our Company to take corrective measures to optimize the efficiency of the unit's treatment plant and pay sampling and analysis charges aggregating to ₹ 0.08 lakhs. Our Company through their reply dated February 8, 2024, informed KSPCB, that (i) they made the payment of ₹ 0.08 lakhs; and (ii) provided a brief of the corrective measures taken in relation to the Notice, including, undertaking major chemical cleaning process of membranes of the treatment plant.

(ix) The Labour Inspector, Hassan Circle, Hassan (the "**Labour Inspector**") conducted an inspection at one of the units of our Company i.e., Gokaldas Exports Ltd -Unit 1, Hassan District ("**Unit**") on January 23, 2024, alleging certain deviations under labour law regulations, including *inter alia*

payment of wages to toilet cleaners below the minimum wages prescribed by the government. Subsequently, the Labour Inspector filed a litigation application before the Deputy Labour Commissioner and Court of Officers, Hassan Regional, Hassan (“**DCLC**”) (“**Application**”) against the Unit and a summon has been issued by DCLC to our Company for an enquiry scheduled on April 29, 2024 in relation to the Application. The matter is pending as on the date of the filing of Placement Document.

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* 263, 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 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	3	191.43*
Indirect tax	Nil	NA
Total	**3**	**191.43***
Subsidiaries		
Direct tax	Nil	NA
Indirect tax	Nil	NA
Total	**Nil**	**NA**

**To the extent quantifiable.*

IV. Litigation involving our Directors or Promoters

As on date of this 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.

V. Inquiries, inspections, or investigations initiated or conducted under the Companies Act, 2013 in the last three years preceding the year of the Issue Documents, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, or offences compounded in the last three years immediately preceding the year of the Issue Documents, involving our Company and its Subsidiaries.

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 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 Placement Document involving the Company or Subsidiaries.

VI. Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of the Issue Documents, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

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 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 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 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.

As on the date of this Placement Document, 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 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 104, there are no reservations, qualifications, or adverse remarks of the Statutory Auditor in their report on audited consolidated financial statements or audited standalone financial statements for last five Fiscals preceding the date of this Placement Document.

STATUTORY AUDITORS

MSKA & Associates, chartered accountants, our Statutory Auditors, as required by the Companies Act, have been re-appointed pursuant to the Shareholders' approval at the AGM held on September 20, 2023, for five consecutive years.

The Audited Consolidated Financial Statements of Gokaldas Exports Limited as included in the Preliminary Placement Document and this Placement Document, have been audited by MSKA & Associates, as stated in their reports appearing herein.

The Unaudited Condensed Consolidated Interim Financial Statements of our Company and its Subsidiaries as of and for the nine months ended December 31, 2023 and December 31, 2022, comprising the condensed consolidated balance sheet as at December 31, 2023 and March 31, 2023, the condensed consolidated statement of profit and loss for the nine months ended December 31, 2023 and December 31, 2022, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended and notes to the condensed consolidated interim financial statements including a summary of the significant accounting policies and other explanatory information, 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 the Preliminary Placement Document and this 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 – 560 022 Karnataka, India; with effect from September 25, 2020, and our CIN is L18101KA2004PLC033475.

- The authorised share capital of our Company is ₹ 42,50,00,000 divided into 8,50,00,000 Equity Shares of ₹ 5 each.

- The Issue was authorised and approved by our Board on February 1, 2024 and approved by the shareholders dated February 29, 2024, in their extra-ordinary general meeting.

- 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 April 18, 2024, 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 Placement Document, there has been no material change in the financial or trading position of our Company since Unaudited Condensed Consolidated Interim Financial Statements, which has been included in this Placement Document.

- Except as disclosed in this 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 261.

- There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- As on the date of this 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. on all weekdays (except Saturdays and public holidays) 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 ₹ 789.99 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

- Our Company has offered a discount of 1.90% on the Floor Price constituting ₹ 14.99 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 the Preliminary Placement Document and this 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.

- Details of the Company Secretary and Compliance Officer of our Company:

  Gourish Hegde
  No. 25, Second Cross,
  Third Main, Industrial Suburb,
  Yeshwantpur, Bengaluru – 560 022
  Karnataka, India.
  Telephone: +91-80-68951000
  E-mail: info@gokaldasexports.com

FINANCIAL INFORMATION

Index to Financial Statements

Review Report on the Unaudited Condensed Consolidated Interim Financial Statements of Gokaldas Exports Limited.

The Board of Directors of Gokaldas Exports Limited

1. We have reviewed the accompanying statement of Unaudited Condensed Consolidated Interim Financial Statements of Gokaldas Exports Limited (‘the Holding Company’), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the ‘Group’) which comprise the Unaudited Condensed Consolidated Interim Balance Sheet as at December 31, 2023, and the Unaudited Condensed Consolidated Interim Statement of Profit (including other comprehensive income), Unaudited Condensed Consolidated Interim Cah Flow Statement and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the nine months period ended December 31, 2023 and 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 (“SEBI ICDR Regulations”) as amended and other applicable laws.

2. This Statement, which is the responsibility of the Holding Company’s Management and approved by the Holding Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ‘Interim Financial Reporting’ prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (‘Ind AS 34’) and other recognised accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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.

This Statement of the Holding Company includes the following entities:

Sr. No	Name of the Entity	Relationship with the Holding Company
1	All Colour Garments Private Limited	Subsidiary
2	SNS Clothing Private Limited	Subsidiary
3	Vignesh Apparels Private Limited	Subsidiary
4	Gokaldas exports Acharpura Private Limited	Subsidiary
5	Sri Susamyuta Knit Private Limited	Subsidiary
6	Gokaldas Exports FZCO, Dubai, UAE.	Subsidiary
7	Nava Apparels, L.L.C FZ, Dubai, UAE.	Subsidiary
8	Gokaldas Exports Corporation, USA.	Subsidiary

4. Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the Unaudited Condensed Consolidated Interim Financial Statements of eight subsidiaries which have not been reviewed by their auditors are not subject to review, whose unaudited condensed consolidated interim financial statements reflects total assets of Rs. 37,500.69 lacs as at December 31, 2023 and total revenue of Rs. 1,444.54 lacs, total net loss after tax of Rs. 1,180.45 lacs and total comprehensive loss of Rs.1,192.80 lacs for the period from April 01, 2023 to December 31, 2023, respectively and cash flows (net) of Rs. 12,744.25 lacs for the period from April 01, 2023 to December 31, 2023, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 8,668.91 lacs and total comprehensive income of Rs. 10,786.50 lacs for the period from April 01, 2023 to December 31, 2023 respectively, as considered in the Statement. These unaudited condensed consolidated interim financial statements have been furnished to us by the Management and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such management prepared unaudited condensed consolidated interim financial statements. According to the information and explanations given to us by the Management, these interim financial statements are not material to the Group.

6. The Group had prepared separate Statement of Unaudited Consolidated Financial Results (the 'Unaudited Consolidated Financial Results 2023') for the period ended December 31, 2023 in accordance with the recognition and measurement principles laid down in Ind As 34 "Interim Financial Reporting" on which we had issued a separate auditor's review report dated February 01, 2024. 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.

7. Restriction on Use

The report is addressed to the Board of Directors of the Company solely for the purpose of submission to the stock exchange or any other authority as may be required under applicable law and for the purposes of including it in the Preliminary Placement Document and Placement Document, to be filed by the Company with the Securities Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the Registrar of Companies, Karnataka, as applicable in connection with proposed fund raising of the equity shares of the Company. As a result, these Unaudited Condensed Consolidated Interim Financial Statements may not be suitable for any other purpose. It should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.

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 report is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Pankaj S Bhauwala
Partner
Membership No.: 233552
UDIN: 24233552BKBKJO9597

Place: Bengaluru
Date: April 18, 2024

Gokaldas Exports Limited

Unaudited Condensed Consolidated Interim Balance Sheet as at December 31, 2023

All amounts in Indian Rupees in lakhs, except stated otherwise

	As at December 31, 2023	As at March 31, 2023
ASSETS		
Non- current assets		
Property, plant and equipment	24,005.37	16,611.71
Right-of-use assets	9,644.24	11,252.12
Capital work-in-progress	11,486.83	10,786.62
Other intangible assets	105.51	111.95
Financial assets		
Investments	0.29	0.29
Other financial assets	2,853.69	2,821.95
Deferred tax assets	3,415.93	3,064.73
Non-current tax assets (net)	24.28	408.85
Other non-current assets	573.53	1,164.55
Total non-current assets	**52,109.67**	**46,222.77**
Current assets		
Inventories	27,578.62	29,299.22
Financial assets		
Investments	20,057.47	34,399.06
Trade receivables	21,480.35	13,582.68
Cash and cash equivalents	13,573.59	1,472.21
Other bank balances (other than cash and cash equivalents)	7,272.03	926.48
Other financial assets	963.67	114.03
Other current assets	10,438.22	8,185.08
Total current assets	**1,01,363.95**	**87,978.76**
Total assets	**1,53,473.62**	**1,34,201.53**

Gokaldas Exports Limited

Unaudited Condensed Consolidated Interim Balance Sheet as at December 31, 2023

All amounts in Indian Rupees in lakhs, except stated otherwise

	As at December 31, 2023	As at March 31, 2023
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	3,032.58	3,028.90
Other equity	97,663.39	85,596.22
Total equity	**1,00,695.97**	**88,625.12**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	2,527.62	964.31
Lease liabilities	6,709.14	8,676.98
Provision for employee benefits	1,317.11	1,346.89
Total non-current liabilities	**10,553.87**	**10,988.18**
Current liabilities		
Financial liabilities		
Borrowings	6,327.77	2,580.76
Trade payables		
Total outstanding dues of micro, small and medium enterprises	273.37	241.02
Total outstanding dues of creditors other than micro, small and medium enterprises	11,429.65	8,160.12
Lease liabilities	3,759.39	3,219.09
Other current financial liabilities	12,732.76	14,769.18
Other current liabilities	1,602.82	1,220.25
Provision for employee benefits	5,418.09	4,397.81
Current tax liability (net)	679.93	-
Total current liabilities	**42,223.78**	**34,588.23**
Total equity and liabilities	**1,53,473.62**	**1,34,201.53**

The accompanying explanatory notes are an integral part of these Unaudited Condensed Consolidated Interim financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Pankaj S Bhauwala
Partner
Membership No.: 233552

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560

Prabhat Kumar Singh
Whole Time Director
DIN: 08275987

Sathyamurthy A
Chief Financial Officer

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

Gokaldas Exports Limited

Unaudited Condensed Consolidated Interim Statement of Profit and Loss for nine months period ended December 31, 2023

All amounts in Indian Rupees in lakhs, except stated otherwise

		December 31, 2023	December 31, 2022
I	**Income**		
	Revenue from operations	1,56,646.60	1,69,918.47
	Other income	2,455.05	1,792.28
	Total income	**1,59,101.65**	**1,71,710.75**
II	**Expenses**		
	Cost of raw materials and components consumed	72,510.47	81,124.74
	Purchases of stock-in-trade	79.67	17.96
	Changes in inventories of finished goods and work-in-progress	882.45	8,997.19
	Employee benefits expense	53,557.57	48,257.51
	Finance costs	1,669.34	1,829.23
	Depreciation and amortization expenses	6,133.55	5,275.49
	Job work charges	486.15	979.81
	(Gain)/loss on account of foreign exchange fluctuations (net)	(14.95)	(808.57)
	Other expenses	12,191.49	11,280.01
	Total expenses	**1,47,495.74**	**1,56,953.37**
III	**Profit before exceptional items and tax (I-II)**	**11,605.91**	**14,757.38**
IV	**Exceptional items**	-	605.03
V	**Profit after exceptional items and before tax (III+IV)**	**11,605.91**	**15,362.41**
VI	**Tax expenses**		
	Current tax	3,673.03	3,907.63
	Adjustment of tax relating to earlier years	(27.21)	-
	Deferred tax (credit)/charge	(708.82)	(1,122.60)
		2,937.00	**2,785.03**
VII	**Profit after tax for the period (V-VI)**	**8,668.91**	**12,577.38**
VIII	**Other comprehensive income/ (loss) (net of tax)**		
	Items that will not be reclassified to profit or loss in subsequent periods:		
	Re-measurement gains on defined benefit plan	230.86	236.25
	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)	1,886.73	(5,664.01)
	Total other comprehensive income/(loss) for the year	**2,117.59**	**(5,427.76)**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**	**10,786.50**	**7,149.62**
X	**Earnings per equity share (EPS) [nominal value of Rs. 5 (March 31, 2023- Rs. 5)]**		
	Basic earnings per share	14.30	20.81
	Diluted earnings per share	13.59	19.79

The accompanying explanatory notes are an integral part of these Unaudited Condensed Consolidated Interim financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Pankaj S Bhauwala
Partner
Membership No.: 233552

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560

Prabhat Kumar Singh
Whole Time Director
DIN: 08275987

Sathyamurthy A
Chief Financial Officer

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

Gokaldas Exports Limited

Unaudited Condensed Consolidated Interim cash flow statement as at December 31, 2023

All amounts in Indian Rupees in lakhs, except stated otherwise

	December 31, 2023	December 31, 2022
Cash flow from operating activities		
Profit before exceptional items and tax	**11,605.91**	**14,757.38**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	6,133.55	5,275.49
Net loss/(gain) on disposal of property, plant and equipment	(36.45)	(18.15)
Unrealised foreign exchange (gain)/loss, (net)	(1.20)	(35.45)
Gain on sale of investments in mutual fund units	(2,224.93)	(1,001.83)
Income from government grants	(812.29)	(173.83)
Share based payment expenses	1,883.19	1,785.95
Interest income	(191.39)	(216.18)
Finance costs	1,669.34	1,829.23
Provision for doubtful debts	272.31	27.70
Excess provision of earlier years written back	-	(190.52)
Operating profit/(loss) before working capital changes	**18,298.04**	**22,039.79**
Changes in operating assets and liabilities:		
(Increase)/ decrease in other financial assets	(64.24)	(78.46)
(Increase)/ decrease in other assets	(1,662.12)	3,756.65
(Increase)/ decrease in inventories	1,720.60	12,362.61
(Increase)/ decrease in trade receivables	(8,168.58)	(3,241.30)
Increase/ (decrease) in provisions for employee benefits	1,221.36	1,575.95
Increase/ (decrease) in trade payables	3,301.88	(1,984.64)
Increase/ (decrease) in other financial liabilities	(609.35)	(41.60)
Increase/ (decrease) in other liabilities	382.57	(223.91)
	14,420.16	34,165.09
Direct taxes refunded/ (paid) (net of refund/payments)	(2,581.31)	(2,996.61)
Net cash flows from/ (used in) operating activities (A)	**11,838.85**	**31,168.48**
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	(10,776.37)	(7,888.45)
Proceeds from sale of property, plant and equipment	102.35	892.59
Investments in bank deposits	(8,463.04)	(4,752.18)
Proceeds from redemption of bank deposits	2,117.49	3,319.02
Investment in mutual funds	(15,800.00)	(30,500.00)
Proceeds from sale of investment in mutual funds	32,366.52	14,750.39
Interest income	182.88	216.95
Net cash flows from/ (used in) investing activities (B)	**(270.17)**	**(23,961.68)**

Gokaldas Exports Limited

Unaudited Condensed Consolidated Interim cash flow statement as at December 31, 2023

All amounts in Indian Rupees in lakhs, except stated otherwise

	December 31, 2023	December 31, 2022
Cash flow from financing activities		
Proceeds from issue of shares / exercise of share options	3.68	431.49
Proceeds of borrowings	46,786.66	26,375.46
Repayment of borrowings	(41,476.34)	(30,404.51)
Payment of lease liabilities	(3,491.72)	(3,155.19)
Dividend paid	(606.51)	-
Finance costs	(683.07)	(620.90)
Net cash flows from/ (used in) financing activities (C)	**532.70**	**(7,373.65)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	12,101.38	(166.85)
Cash and cash equivalents at the beginning of the year	1,472.21	1,268.24
Cash and cash equivalents at the end of the year	**13,573.59**	**1,101.39**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Components of cash and cash equivalents		
Balances with banks		
In current accounts	13,558.33	1,079.11
Cash on hand	15.26	22.28
Total cash and cash equivalents	**13,573.59**	**1,101.39**

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 unaudited condensed consolidated interim financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Pankaj S Bhauwala
Partner
Membership No.: 233552

Sivaramakrishnan Ganapathi
Vice Chairman and
Managing Director
DIN: 07954560

Prabhat Kumar Singh
Whole Time Director
DIN: 08275987

Sathyamurthy A
Chief Financial Officer

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

Gokaldas Exports Limited

Unaudited Condensed Consolidated Interim statement of changes in equity for nine months period ended December 31, 2023

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, 2022	5,89,76,994	2,948.85
Add: Issued during the year	16,01,000	80.05
At March 31, 2023	**6,05,77,994**	**3,028.90**
At April 1, 2023	6,05,77,994	3,028.90
Add: Issued during the year	73,500	3.68
At December 31, 2023	**6,06,51,494**	**3,032.58**

b. Other equity

For the period ended December 31, 2023

	Reserves and Surplus						Items of OCI	
	Securities premium	**General reserve**	**Capital reserve on amalgamation**	**Share based payments reserve**	**Foreign Currency Translation Reserve**	**Retained earnings**	**Cashflow hedge reserve**	**Total**
As at April 1, 2023	50,959.81	2,192.09	9,769.12	2,391.00	3.88	21,333.64	(1,053.32)	85,596.22
Profit for the period	-	-	-	-	0.20	8,668.91	-	8,669.11
Dividends paid	-	-				(606.51)	-	(606.51)
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	1,890.52	1,890.52
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	230.86	-	230.86
Total comprehensive income	**50,959.81**	**2,192.09**	**9,769.12**	**2,391.00**	**4.08**	**29,626.90**	**837.20**	**95,780.20**
Additions	-	-	-	-	-	-	-	-
Transfer to securities premium on exercise of equity stock options	113.98	-	-	(113.98)	-	-	-	-
Share based payment expense	-	-	-	1,883.19	-	-	-	1,883.19
At December 31, 2023	**51,073.79**	**2,192.09**	**9,769.12**	**4,160.21**	**4.08**	**29,626.90**	**837.20**	**97,663.39**

For the period ended December 31, 2022

	Reserves and Surplus						Items of OCI	
	Securities premium	**General reserve**	**Capital Reserve on Amalgamation**	**Share based payments reserve**	**Foreign Currency Translation Reserve**	**Retained earnings**	**Cashflow hedge reserve**	**Total**
As at April 1, 2022	49,429.05	2,192.09	9,769.12	1,272.32	-	3,829.09	1,377.03	67,868.70
Profit for the year	-	-	-	-	-	12,577.38	-	12,577.38
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	(5,669.06)	(5,669.06)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	236.25	-	236.25
Total comprehensive income	**49,429.05**	**2,192.09**	**9,769.12**	**1,272.32**	**-**	**16,642.72**	**(4,292.03)**	**75,013.27**
Additions	351.44	-	-	-	-	-	-	351.44
Transfer to securities premium on exercise of equity stock options	1,164.31	-	-	(1,164.31)	-	-	-	-
Share based payment expense	-	-	-	1,785.95	-	-	-	1,785.95
At December 31, 2022	**50,944.80**	**2,192.09**	**9,769.12**	**1,893.96**	**-**	**16,642.72**	**(4,292.03)**	**77,150.66**

The accompanying explanatory notes are an integral part of these Unaudited Condensed Consolidated Interim financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Pankaj S Bhauwala
Partner
Membership No.: 233552

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560

Prabhat Kumar Singh
Whole Time Director
DIN: 08275987

Sathyamurthy A
Chief Financial Officer

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

1 Basis of preparation of Unaudited Condensed Consolidated Interim financial statements

i) Compliance with Ind AS

These Unaudited Condensed Consolidated Interim financial statements ("condensed consolidated financial statements") of the Group have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind As) 34, Interim Financial Reporting specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time, read with relevant rules issued thereunder and other accounting principles generally accepted in India. The Unaudited Condensed Consolidated Interim financial statements are presented in Indian Rupee (Rs), which is the Company's functional and the Group's presentation currency. The accounting policies adopted in the preparation of these Unaudited Condensed Consolidated Interim financial statements are consistent with those followed in preparation of the audited annual financial statements as at and for the year ended March 31, 2023.

ii) Purpose of the Condensed Interim Unaudited Consolidated financial statements

These Unaudited Condensed Consolidated Interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's latest audited annual Ind AS financial statements. These Unaudited Condensed Consolidated Interim financial statements have been prepared solely in connection with the proposed offering of equity shares of face value of Rs. 5 each by the company in a Qualified Institutions Placement in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations"), as amended. The comparative financial informations for the corresponding previous nine months ended December 31, 2022, appearing in the Unaudited Condensed Consolidated Interim financial statements is based solely on management certified accounts of the Group.

These Unaudited Condensed Consolidated Interim financial statements for the nine months period ended December 31, 2023 of the Group were approved in accordance with the resolution passed by the Board of Directors of the Company on April 18, 2024.

iii) The accounting policies adopted in the preparation of Unaudited Condensed Interim Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as at and for the year ended March 31, 2023. Several amendments apply for the first time in 2023, but do not have an impact on the unaudited condensed interim consolidated financial statements of the Group.

The unaudited condensed interim consolidated financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest Lakhs except when otherwise indicated.

iv) The subsidiary companies considered in the Unaudited Condensed Consolidated Interim financial statements are as follows:

Name	Country of incorporation	Relationship	% of ownership interest as on		
			December 31, 2023	March 31, 2023	December 31, 2022
All Colour Garments Private Limited	India	Subsidiary	100	100	100
SNS Clothing Private Limited	India	Subsidiary	100	100	100
Vignesh Apparels Private Limited	India	Subsidiary	100	100	100
Gokaldasexports Acharpura Private Limited	India	Subsidiary	100	100	100
Sri Susamyuta Knits Private Limited	India	Subsidiary	100	100	100
Gokaldas Exports FZCO	Dubai	Subsidiary	100	100	100
Nava Apparels L.L.C-FZ	Dubai	Subsidiary	100	100	100
Gokaldas Exports Corporation	USA	Subsidiary	100	100	100

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:

	December 31, 2023	December 31, 2022
Face value of equity shares (Rs. per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Group	8,668.91	12,577.38
Weighted average number of equity shares used for computing earning per share (basic)	6,06,34,370	6,04,49,107
Weighted average number of equity shares used for computing earning per share (diluted)	6,37,85,936	6,35,46,039
EPS - basic (Rs.)	14.30	20.81
EPS - diluted (Rs.)	13.59	19.79

3 (A) Property, plant and equipment & Capital work-in-progress:

During the period ended December 31, 2023, the Group has added Rs. 5,416.06 Lakhs (March 31, 2023: Rs.4,942.05 Lakhs) to gross block of property, plant and equipment. Further, there has been net addition in Capital work-in-progress of Rs. 700.21 Lakhs (March 31, 2023: Rs. 9,682.26 Lakhs). Property, plant and equipment and capital work-in-progress has been pledged as security.

3 (B) Intangible Assets:

During the period ended December 31, 2023, the Group has added Rs. 71.78 Lakhs (March 31, 2023: Rs.56.73 Lakhs) to gross block of Intangible assets.

4 Revenue from operations

	December 31, 2023	December 31, 2022
(a) Sale of finished goods		
Exports	1,27,514.91	1,41,714.13
Domestic	16,379.96	16,777.24
	1,43,894.87	**1,58,491.37**
(b) Other operating revenues		
Export incentives and others*	9,858.50	8,172.28
Sale of accessories, fabrics, scrap and others	2,402.36	2,787.33
Job work income	490.87	467.49
	12,751.73	**11,427.10**
Total Revenue from operations	**1,56,646.60**	**1,69,918.47**

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 4.

Primary Geographic Markets	**Sale of finished goods**	
(Name of the country)	**December 31, 2023**	**December 31, 2022**
United States of America	1,09,749.19	1,27,117.38
Canada	6,591.04	6,088.95
Netherlands	4,020.27	3,703.63
United Kingdom	1,219.49	731.02
France	1,344.83	1,225.34
China	1,072.56	1,088.46
Belgium	746.30	14.69
Australia	203.81	219.35
Japan	385.72	365.10
Panama	474.39	382.17
United Arab Emirates	307.65	159.75
Mexico	284.80	114.93
Germany	222.12	56.01
Other Overseas Countries	892.74	447.35
India	16,379.96	16,777.24
Total	**1,43,894.87**	**1,58,491.37**

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 Rupees in lakhs, except stated otherwise

5 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****	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**March 31, 2023**
India	27,757.86	27,056.99	45,815.48	39,926.95
Rest of world	1,28,888.74	1,42,861.48	-	-
Total	**1,56,646.60**	**1,69,918.47**	**45,815.48**	**39,926.95**

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.

6 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.

All amounts in Indian Rupees in lakhs, except stated otherwise

The movement in lease liabilities is as follows:

	December 31, 2023	March 31, 2023
Opening balance	11,896.07	12,997.36
Additions	1,071.76	1,721.77
Deletions	-	(108.67)
Finance cost accrued	992.42	1,497.42
Payment of lease liabilities	(3,491.72)	(4,211.81)
Closing balance	**10,468.53**	**11,896.07**
Current lease liabilities	3,759.39	3,219.09
Non-current lease liabilities	6,709.14	8,676.98
Total	**10,468.53**	**11,896.07**

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.

	December 31, 2023	March 31, 2023
(a) Performance Bank Guarantees		
Sanctioned	380.00	2,770.00
Outstanding	378.72	366.52
(b) Outstanding letters of credit		
Sanctioned	40,822.00	16,822.00
Outstanding	29,562.00	4,171.34
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	-	-
(ii) Matters relating to other taxes under dispute	122.54	122.54

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

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

	December 31, 2023	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	979.23	1,848.98
Commitments relating to forward contract- hedge of highly probable forecast sales	1,43,828.93	1,43,037.06

7 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	Richard B Saldanha, (Chairman and Independent Director) (upto November 28, 2022)
	Mathew Cyriac, (Chairman and Non Executive Director) (appointed as Chairman w.e.f November 29, 2022)
	Sivaramakrishnan Ganapathi, Vice Chairman and Managing Director
	George Varughese (Independent Director) (w.e.f October 27, 2022)
	Shivanandan Ashok Dalvie (Independent Director) (w.e.f October 27, 2022)
	Rama Bijapurkar (Independent Director) (w.e.f October 27, 2022)
	Pavitra Rajaram (Independent Director) (w.e.f April 26, 2023)
	Prabhat Kumar Singh (Wholetime Director)
	Poorana Seenivasan (Executive Director) (w.e.f October 27, 2022)
	Sathyamurthy A, (Chief Financial Officer)
	Gourish Hegde, (Company Secretary) (w.e.f February 10, 2023)
	Anuradha Sharma (Independent Director) (upto February 07, 2023)
	Gautham Madhavan (Non Executive Director) (upto October 27, 2022)
	Shrithee MS (Company Secretary) (upto November 11, 2022)

All amounts in Indian Rupees in lakhs, except stated otherwise

b. Summary of transactions during the period with the above related parties are as follows:

Particulars	December 31, 2023	December 31, 2022
i) Stock options exercised during the period (face value + Security premium)		
Richard B Saldanha	-	15.24
Sivaramakrishnan Ganapathi	-	307.88
Poorana Seenivasan	2.50	-
Sathyamurthy A	-	61.79
ii) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Ganapathi	638.44	721.57
Sathyamurthy A	143.16	127.39
Prabhat Kumar Singh	62.50	48.75
Poorana Seenivasan	166.90	35.61
Gourish Hegde	12.85	-
Shrithee MS	-	8.71
	1,023.85	**942.03**
b) Sitting fees paid to directors (independent and non-executive directors)		
Richard B. Saldanha	-	10.40
Mathew Cyriac	10.40	10.40
George Varughese	9.60	-
Shivanandan Ashok Dalvie	6.40	-
Rama Bijapurkar	6.40	-
Pavitra Rajaram	2.40	-
Anuradha Sharma	-	10.40
Gautham Madhavan	-	8.80
	35.20	**40.00**
c) Summary of compensation of key managerial personnel of the Company		
Managerial remuneration	1,023.85	942.03
Sitting fees	35.20	40.00
Share based payment expenses	914.62	871.40
	1,973.67	**1,853.42**

c. Summary of outstanding balances with the above related parties are as follows:

Particulars	December 31, 2023	March 31, 2023
i) Remuneration payable to Key managerial personnel		
Sivaramakrishnan Ganapathi	420.94	719.37
Poorana Seenivasan	75.00	38.71
Sathyamurthy A	48.75	50.00
	544.69	**808.08**

All amounts in Indian Rupees in lakhs, except stated otherwise

8 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 December 31, 2023

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	20,057.76	-	20,057.76
Trade receivables	21,480.35	-	21,480.35
Cash and cash equivalents	13,573.59	-	13,573.59
Other financials assets	2,980.16	-	2,980.16
Other bank balances (other than cash and cash equivalents)	7,272.03		7,272.03
Foreign exchange forward contracts	-	837.20	837.20
Total assets	**65,363.89**	**837.20**	**66,201.09**
Financial liabilities			
Lease liabilities	10,468.53	-	10,468.53
Borrowings	8,855.39	-	8,855.39
Trade payables	11,703.02	-	11,703.02
Other financial liabilities	12,732.76	-	12,732.76
Foreign exchange forward contracts	-	-	-
Total liabilities	**43,759.70**	**-**	**43,759.70**

All amounts in Indian Rupees in lakhs, except stated otherwise

As at March 31, 2023

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	34,399.35	-	34,399.35
Trade receivables	13,582.68	-	13,582.68
Cash and cash equivalents	1,472.21	-	1,472.21
Other financials assets	2,925.99	-	2,925.99
Other bank balances (other than cash and cash equivalents)	926.48	-	926.48
Foreign exchange forward contracts	-	9.99	9.99
Total assets	**53,306.71**	**9.99**	**53,316.70**
Financial liabilities			
Lease liabilities	11,896.07	-	11,896.07
Borrowings	3,545.07	-	3,545.07
Trade payables	8,401.14	-	8,401.14
Other financial liabilities	13,348.26	-	13,348.26
Foreign exchange forward contracts	-	1,420.92	1,420.92
Total liabilities	**37,190.54**	**1,420.92**	**38,611.46**

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).

All amounts in Indian Rupees in lakhs, except stated otherwise

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
December 31, 2023				
Financial assets				
Foreign exchange forward contracts	-	837.20	-	837.20
March 31, 2023				
Financial assets				
Foreign exchange forward contracts	-	9.99	-	9.99
Financial liabilities				
Foreign exchange forward contracts	-	1,420.92	-	1,420.92

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

(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
December 31, 2023	50	44.28
March 31, 2023	50	17.73

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. 66,201.09 lakhs and Rs. 53,316.70 lakhs, as at December 31, 2023 and March 31, 2023 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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
December 31, 2023			
Lease liabilities	3,759.39	6,709.14	10,468.53
Borrowings	6,327.77	2,527.62	8,855.39
Trade payables	11,703.02	-	11,703.02
Other financial liabilities	12,732.76	-	12,732.76
	34,522.94	**9,236.76**	**43,759.70**
March 31, 2023			
Lease liabilities	3,219.09	8,676.98	11,896.07
Borrowings	2,580.76	964.31	3,545.07
Trade payables	8,401.14	-	8,401.14
Other financial liabilities	14,769.18	-	14,769.18
	28,970.17	**9,641.29**	**38,611.46**

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 December 31, 2023 and March 31, 2023 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Group's investment in a foreign associate.

9 **Subsequents:**

Subsequent to the period ended December 31, 2023, the Group has completed its acquisition of Atraco, which was previously approved by the Board of Directors in their meeting dated August 28, 2023, by way of:

(i) Gokaldas Exports FZCO (Wholly owned subsidiary) completing the acquisition of 100% shareholding in "Amibros S.A." at a value of USD 38.5 Million and 100% shareholding in "Atraco Logistics Co LLC" at a value of USD 1.5 Million resulting in transfer of its control w.e.f. January 03, 2024 to Gokaldas Exports FZCO.

(ii) Nava Apparels L.L.C. – FZ (Wholly owned subsidiary) completing the acquisition of all fixed assets of Coast Apparel EPZ Limited, Ashton Apparel EPZ Limited and Mombasa Apparel EPZ Limited pursuant to asset purchase agreements ("APAs") with respective parties at a value of USD 13.4 Million resulting in transfer of its control w.e.f. January 03, 2024 to Nava Apparels L.L.C. – FZ. The rights, interest and obligations under the APAs have been transferred / novated to a newly incorporated entity in Kenya namely, Ashton Mombasa Apparel EPZ Limited, which is a wholly owned subsidiary of Nava Apparels L.L.C-FZ.

The above-mentioned (i) and (ii) has been considered by the Management as a subsequent event and therefore no impact is considered necessary in these unaudited Condensed Consolidated Interim financial statements for the nine months period ended December 31, 2023.

10 Subsequent to the period ended December 31, 2023, the Company has executed various agreements with Clean Max Enviro Energy Solutions Private limited and Clean Max Celeste Private Limited (SPV), including a share purchase agreement for investment in a renewable Captive Generating Plant. This involves an investment in a Special Purpose Vehicle (SPV), a private limited company through an acquisition of 26% stake valued at approximately Rs. 315 lakhs (Indian Rupees Three hundred and fifteen lakhs) by way of an equity share capital contribution in the SPV. The agreements include long term arrangements relating to supply of renewable power units to the Company and call and put options regarding the equity shares in the SPV. The Board of Directors has given their approval to above agreements.

The above-mentioned has been considered by the Management as a subsequent event and therefore no impact is considered necessary in these unaudited Condensed Consolidated Interim financial statements for the nine months period ended December 31, 2023.

11 The Board of Directors of the Company at their meeting held on May 25, 2023 have recommended a final dividend of Rs.1/- (one rupee only) per equity share (i.e. 20% of face value of Rs. 5 per equity share) for the financial year ended March 31, 2023. The dividend recommended by the Board of Directors is approved by the shareholders at the Annual General Meeting of the Company held on September 20, 2023. The impact of the same is recorded in these Unaudited Condensed Consolidated Interim financial statements for the nine months period ended December 31, 2023.

12 The Company's wholly-owned subsidiary ("GokaldasExports Acharpura Private Limited") commissioned a new manufacturing unit in the State of Madhya Pradesh. After commencing commercial production, the subsidiary is eligible for certain capital-related government incentives in line with the Government Order. As of December 31, 2023, the subsidiary company is in the process of filing the necessary documents/information about the project with the concerned authorities. The subsidiary shall recognize the eligible incentives upon receipt of necessary approval from the concerned authorities. Accordingly, the Group has not given the effect of the said government incentives in these Unaudited Condensed Consolidated Interim financial statements for the nine months period ended December 31, 2023.

13 The Board of Directors of the Company, in its meeting held on February 01, 2024, has approved the following:

(a) Increasing the authorized share capital of the Company from Rs. 32,50,00,000 (Indian Rupees Three thousand two hundred and fifty lakhs) divided into 6,50,00,000 (Six fifty lakhs) equity shares of Rs. 5 (Indian Rupees five) each to Rs. 42,50,00,000 (Indian Rupees Four thousand two hundred and fifty lakhs) divided into 8,50,00,000 (Indian Rupees Eight hundred and fifty lakhs) Equity Shares of Rs. 5/- (Indian Rupees Five only) each ranking pari-passu in all respect with the existing Equity Shares of the Company.

(b) Raising of funds for an amount aggregating up to Rs. 60,000 lakhs (Rupees sixty thousand lakhs 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 preferential allotment or a private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable laws to the eligible investors in the course of domestic or international offerings, through issue of placement document and/or other permissible/ requisite offer documents or other permissible/requisite documents/writings/circulars/memoranda in such a manner to any eligible person, including qualified institutional buyers in accordance with the Chapter VI of the SEBI ICDR Regulations, or otherwise, foreign/ resident investors (whether institutions, banks, incorporated bodies, mutual funds, individuals, trustees, stabilizing agent or otherwise), venture capital funds, alternative investment funds, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, pension funds and/or any other categories of investors, who are authorised to invest in the Securities of the Company as per extant regulations/guidelines or any combination of the above, whether they being existing holders of the Securities or not, 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.

(c) To acquire 10,000 (Ten Thousand) equity shares of Matrix Design and Industries Private Limited ("MDIPL"), from Matrix Clothing Private Limited ("MCPL") and its nominee shareholder, each equity share being fully paid up, having a face value of Rs. 10 (Indian Rupees Ten) and representing 100% (One Hundred percent) of the equity share capital of MDIPL, by way of consideration settled through a combination of cash consideration, a preferential allotment of shares of Gokaldas Exports Limited on private placement and debt assumed, subject to the conditions as set forth in the agreements. The above-mentioned transaction was subsequently completed in March 24, with a share swap of Gokaldas Exports Limited and MDIPL therein making MDIPL a wholly owned subsidiary of Gokaldas Exports Limited and has been considered by the Management as a subsequent event and therefore no impact is considered necessary in these Unaudited Condensed Consolidated Interim financial statements for the nine months period ended December 31, 2023.

14 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.

15 For the period/ days of the respective covid lockdowns imposed by the government during FY 2020-21, the Group had evaluated the various directions, circulars and orders issued by relevant government authorities regarding payment of wages to employees, accordingly had paid certain ex-gratia amount to eligible employees. Management evaluated further directions, orders issued by relevant government authorities and understand that the matter should be settled based on mutual discussion between relevant stakeholders. Pending conclusion of such matter, management believes that the Group continues to be in compliance with the directives and will reassess this periodically.

16 During the period ended September 30, 2023, the Company has allotted 73,500 equity shares of Rs 5 each fully paid-up on exercise of stock options by employees in accordance with the Company's stock option scheme.

17 Events after the reporting period

There are no events or transactions which have occured since the balance sheet date which would have a material effect and require adjustments in these Unaudited Condensed Consolidated Interim financial statements for the nine months period ended December 31, 2023, other than those as discussed above.

18 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the Unaudited Condensed Consolidated Interim financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

19 Previous period/year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/year's classification.

For M S K A & Associates
Chartered Accountants
ICAI Firm registration number: 105047W

Pankaj S Bhauwala
Partner
Membership No.: 233552

Place: Bengaluru
Date: April 18, 2024

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560

Prabhat Kumar Singh
Whole Time Director
DIN: 08275987

Sathyamurthy A
Chief Financial Officer

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: April 18, 2024

Place: Bengaluru
Date: April 18, 2024

Independent Auditor's Report

To the Members of Gokaldas Exports Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of **Gokaldas Exports Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including 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 ("Ind AS")and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit 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 terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2023 (current period). These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Refer Note 2.3 of Consolidated Financial Statements with respect to the accounting policies followed by the Company for recognizing revenue. The Company derives its revenue primarily from delivery of export garments and its related products to its customer/agent nominated by customer, in accordance with commercial terms agreed. The revenue is recognised at a point in time when control of the goods has transferred to the customer. Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing the present right to receive payment for the products, delivery specifications including incoterms, timing of transfer of legal title of the asset and determination of the point of acceptance of goods by customer.	**Our audit procedures included the following:** 1. Assessed the appropriateness and consistency of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115"). 2. Obtained an understanding and assessed the design, implementation, and operating effectiveness of controls over recognition and measurement of revenue in accordance with customer contracts, including timing of revenue recognition. 3. Performed substantive testing by selecting samples of revenue transactions recorded during the year and verifying with the underlying documents like sales invoices/contracts and related logistics documents. 4. Performed three-way match for the sales using documents which include purchase orders from customers, invoice and proof of deliveries (bill of lading for export sales and lorry receipts etc for domestic sales).

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Revenue is identified as an area of significant risk and at the year-end management has to exercise significant judgement for recognition of revenue as per Ind AS 115. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	5. Performed the cut-off testing of the revenue recorded in the appropriate period and traced the sales with Shipping bill, Bill of lading and other logistic documents to confirm the appropriateness of recognition of revenue for that period in the books of accounts. 6. Assessed manual journals posted to revenue to identify unusual items & tested the underlying documents of the same on a sample basis. 7. Obtained management representation that revenue has been recorded as per the requirements of Ind AS 115. 8. Evaluated the appropriateness of the disclosures made in the Consolidated Financial Statements in relation to revenue recognised as per relevant 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 Management report, Chairman's statement, Director's report etc, but does not include the Consolidated Financial Statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report. The Management report, Chairman's statement, Director's report etc report is expected to be made available to us after that date.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective 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 six subsidiaries, whose financial statements reflect total assets of ₹ 16,433.86 Lakhs as at March 31, 2023, total revenues of ₹ 323.36 Lakhs and net cash flows amounting to ₹ 116 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.

   One of the aforementioned subsidiaries is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

   We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by another auditor.

   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 (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 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 with reference to Consolidated Financial Statements of the Group, and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 34 to the Consolidated Financial Statements.

      ii. The Group has long-term contracts including derivatives as on March 31, 2023 for which there were no material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

      iv. (1) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, we report that the Board of Directors of the Holding Company, its subsidiaries have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 45 to the Consolidated Financial Statements).

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of five subsidiaries which are companies incorporated in India, as the provisions of the aforesaid section is not applicable to private companies.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries associates included in the Consolidated Financial Statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 23233552BGZBRV5322

Place: Bengaluru
Date: May 25, 2023

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 adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 23233552BGZBRV5322

Place: Bengaluru
Date: May 25, 2023

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, 2023]

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

OPINION

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to Consolidated Financial Statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial

Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to Five subsidiaries companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 23233552BGZBRV5322

Place: Bengaluru
Date: May 25, 2023

Consolidated Balance Sheet

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non- current assets			
Property, plant and equipment	3(a)	16,611.71	15,530.43
Right-of-use assets	3(b)	11,252.12	12,985.61
Capital work-in-progress	3(a)	10,786.62	1,104.36
Other intangible assets	4	111.95	273.88
Financial assets			
Investments	5(a)	0.29	0.29
Other financial assets	6(a)	2,821.95	4,219.40
Deferred tax assets	7(a)	3,064.73	1,178.98
Non-current tax assets (net)	7(b)	408.85	1,176.97
Other non-current assets	8(a)	1,164.55	1,772.55
Total non-current assets		**46,222.77**	**38,242.47**
Current assets			
Inventories	9	29,299.22	43,362.00
Financial assets			
Investments	5(b)	34,399.06	15,445.37
Trade receivables	10	13,582.68	9,219.38
Cash and cash equivalents	11	1,472.21	1,268.24
Other bank balances (other than cash and cash equivalents)	11	926.48	-
Other financial assets	6(b)	114.03	1,507.02
Other current assets	8(b)	8,185.08	12,082.72
Total current assets		**87,978.76**	**82,884.73**
TOTAL ASSETS		**1,34,201.53**	**1,21,127.20**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	3,028.90	2,948.85
Other equity	13	85,596.22	67,868.70
TOTAL EQUITY		**88,625.12**	**70,817.55**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14(a)	964.31	238.06
Lease liabilities	15(a)	8,676.98	10,315.19
Provision for employee benefits	16(a)	1,346.89	668.33
Total non-current liabilities		**10,988.18**	**11,221.58**
Current liabilities			
Financial liabilities			
Borrowings	14(b)	2,580.76	6,068.88
Trade payables	17		
Total outstanding dues of micro, small and medium enterprises		241.02	94.75
Total outstanding dues of creditors other than micro, small and medium enterprises		8,160.12	11,689.58
Lease liabilities	15(b)	3,219.09	2,682.17
Other current financial liabilities	18	14,769.18	13,524.03
Other current liabilities	19	1,220.25	1,304.92
Provision for employee benefits	16(b)	4,397.81	3,723.74
Total current liabilities		**34,588.23**	**39,088.07**
TOTAL EQUITY AND LIABILITIES		**1,34,201.53**	**1,21,127.20**
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
ICAI Firm registration No.: 105047W

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Pankaj S Bhauwala
Partner
Membership No.: 233552

Mathew Cyriac
Chairman
DIN: 01903606
Place: Mumbai

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: May 25, 2023

Place: Bengaluru
Date: May 25, 2023

Place: Bengaluru
Date: May 25, 2023

Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

		Notes	As at March 31, 2023	As at March 31, 2022
I	**Income**			
	Revenue from operations	20	2,22,219.58	1,79,031.57
	Other income	21	2,503.35	1,068.77
	Total income		**2,24,722.93**	**1,80,100.34**
II	**Expenses**			
	Cost of raw materials and components consumed	22	1,05,234.38	1,00,269.72
	Purchases of stock-in-trade	23	119.58	1,478.89
	Changes in inventories of finished goods and work-in-progress	24	12,363.32	(12,929.02)
	Employee benefits expense	25	61,931.65	53,877.58
	Finance costs	26	2,571.81	4,020.74
	Depreciation and amortization expense	27	7,175.03	5,894.82
	Job work charges		1,186.44	2,776.86
	(Gain)/loss on account of foreign exchange fluctuations (net)		(668.42)	(2,109.40)
	Other expenses	28	14,975.21	15,117.02
	Total expenses		**2,04,889.00**	**1,68,397.21**
III	**Profit before exceptional items and tax (I-II)**		**19,833.93**	**11,703.13**
IV	**Exceptional items**	29	605.03	-
V	**Profit/(Loss) after exceptional items and before tax (III+IV)**		**20,438.96**	**11,703.13**
VI	**Tax expenses**	30		
	Current tax		4,830.57	1,170.15
	Adjustment of tax relating to earlier years		(160.11)	(677.07)
	Deferred tax (credit)/charge		(1,528.14)	(498.08)
			3,142.32	**(5.00)**
VII	**Profit/(Loss) after tax for the period (V-VI)**		**17,296.64**	**11,708.13**
VIII	**Other comprehensive income/(loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains on defined benefit plan		207.91	312.46
	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)		(2,430.35)	396.02
	Total other comprehensive income for the year		**(2,222.44)**	**708.48**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**15,074.20**	**12,416.61**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2022- ₹ 5)]**			
	Basic earnings per share (refer note 31)		28.60	23.08
	Diluted earnings per share (refer note 31)		27.20	22.14

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
ICAI Firm registration No.: 105047W

Pankaj S Bhauwala
Partner
Membership No.: 233552

Place: Bengaluru
Date: May 25, 2023

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Mathew Cyriac
Chairman
DIN: 01903606
Place: Mumbai

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 25, 2023

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: May 25, 2023

Consolidated Cash Flow Statement

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

	Notes	As at March 31, 2023	As at March 31, 2022
Cash flow from operating activities			
Profit before exceptional items and tax		**19,833.93**	**11,703.13**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		7,175.03	5,894.82
Net loss/(gain) on disposal of property, plant and equipment		(19.26)	(60.55)
Unrealised foreign exchange (gain)/loss, (net)		51.97	102.11
Gain on sale of investments in mutual fund units		(1,589.53)	(279.19)
Income from government grants		(173.83)	(687.27)
Share based payment expenses		2,298.00	135.82
Interest income		(338.44)	(645.92)
Finance costs		2,571.81	4,020.74
Irrecoverable balances written off		-	272.72
Provision for doubtful deposits and advances		-	160.52
Provision for doubtful debts		27.70	8.07
Excess provision of earlier years written back		(190.52)	(62.31)
Operating profit/(loss) before working capital changes		**29,646.86**	**20,562.69**
Changes in operating assets and liabilities:			
(Increase)/decrease in other financial assets		(119.80)	(1,058.50)
(Increase)/decrease in other assets		4,340.99	(6,493.65)
(Increase)/decrease in inventories		14,062.78	(17,441.98)
(Increase)/decrease in trade receivables		(4,646.66)	8,767.83
Increase/(decrease) in provisions for employee benefits		1,560.54	1,391.67
Increase/(decrease) in trade payables		(3,383.19)	2,843.13
Increase/(decrease) in other financial liabilities		(700.18)	4,199.36
Increase/(decrease) in other liabilities		(32.46)	292.43
		40,728.88	**13,062.98**
Direct taxes refunded/(paid) (net of refund/payments)		(3,846.58)	(1,343.22)
Net cash flows from/(used in) operating activities (A)		**36,882.30**	**11,719.76**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(13,542.44)	(7,981.09)
Proceeds from sale of property, plant and equipment		898.49	159.20
Investments in bank deposits		(5,528.27)	(14,989.14)
Proceeds from redemption of bank deposits		6,098.63	28,184.41
Investment in mutual funds		(36,500.00)	(27,000.00)
Proceeds from sale of investment in mutual funds		19,135.84	15,514.71
Interest income		302.63	882.69
Net cash flows from/(used in) investing activities (B)		**(29,135.12)**	**(5,229.22)**
Cash flow from financing activities			
Proceeds from issue of shares/exercise of share options		431.49	29,258.35
Proceeds of borrowings		41,478.81	2,11,418.05
Repayment of borrowings		(44,261.00)	(2,39,131.77)
Payment of lease liabilities		(4,208.62)	(3,335.12)
Finance costs		(983.89)	(2,511.19)
Net cash flows from/(used in) financing activities (C)		**(7,543.21)**	**(4,301.68)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		203.97	2,188.86
Cash and cash equivalents at the beginning of the year	11	1,268.24	(920.62)
Cash and cash equivalents at the end of the year		**1,472.21**	**1,268.24**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Components of cash and cash equivalents			
Balances with banks			
In current accounts		1,464.13	1,255.45
Cash on hand		8.08	12.79
Total cash and cash equivalents	11	**1,472.21**	**1,268.24**

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.

Consolidated Cash Flow Statement

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financial activities:

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities arising from financing activities		
Short term borrowings		
Opening balance	**5,602.28**	**29,548.45**
Cash flow changes:		
Proceeds/(repayment of borrowings) [net]	(4,722.60)	(24,000.40)
Non-cash changes		
Foreign exchange fluctuations	20.32	54.23
Closing balance	**900.00**	**5,602.28**

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
ICAI Firm registration No.: 105047W

Pankaj S Bhauwala
Partner
Membership No.: 233552

Place: Bengaluru
Date: May 25, 2023

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Mathew Cyriac
Chairman
DIN: 01903606
Place: Mumbai

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 25, 2023

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: May 25, 2023

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

A. EQUITY SHARE CAPITAL

	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 01, 2021	4,28,95,663	2,144.78
Add: Issued during the year	1,60,81,331	804.07
At March 31, 2022	**5,89,76,994**	**2,948.85**
At April 01, 2022	5,89,76,994	2,948.85
Add: Issued during the year	16,01,000	80.05
At March 31, 2023	**6,05,77,994**	**3,028.90**

B. OTHER EQUITY

For the year ended March 31, 2023

	Reserves and Surplus						Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Foreign Currency Translation Reserve	Retained earnings	Cash flow hedge reserve	
As at April 01, 2022	**49,429.05**	**2,192.09**	**9,769.12**	**1,272.32**	**-**	**3,829.09**	**1,377.03**	**67,868.70**
Profit for the year	-	-	-	-	3.88	17,296.64	-	17,300.52
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	(2,430.35)	(2,430.35)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	207.91	-	207.91
Total comprehensive income	**49,429.05**	**2,192.09**	**9,769.12**	**1,272.32**	**3.88**	**21,333.64**	**(1,053.32)**	**82,946.78**
Additions	351.44	-	-	-	-	-	-	351.44
Transfer to securities premium on exercise of equity stock options	1,197.56	-	-	(1,197.56)	-	-	-	-
Share based payment expense	-	-	-	2,298.00	-	-	-	2,298.00
At March 31, 2023	**50,978.05**	**2,192.09**	**9,769.12**	**2,372.76**	**3.88**	**21,333.64**	**(1,053.32)**	**85,596.22**

For the year ended March 31, 2022

	Reserves and Surplus						Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Foreign Currency Translation Reserve	Retained earnings	Cash flow hedge reserve	
As at April 01, 2021	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**-**	**(8,191.50)**	**981.01**	**26,861.99**
Profit for the year	-	-	-	-	-	11,708.13	-	11,708.13
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	396.02	396.02
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	312.46	-	312.46
Total comprehensive income	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**-**	**3,829.09**	**1,377.03**	**39,278.60**

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

	Reserves and Surplus						Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Foreign Currency Translation Reserve	Retained earnings	Cash flow hedge reserve	
Additions	28,454.28	-	-	-	-	-	-	28,454.28
Transfer to securities premium on exercise of equity stock options	465.03	-	-	(465.03)	-	-	-	-
Share based payment expense	-	-	-	135.82	-	-	-	135.82
At March 31, 2022	**49,429.05**	**2,192.09**	**9,769.12**	**1,272.32**	**-**	**3,829.09**	**1,377.03**	**67,868.70**

Refer note 2.3 for summary of significant accounting policies.

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
ICAI Firm registration No.: 105047W

Pankaj S Bhauwala
Partner
Membership No.: 233552

Place: Bengaluru
Date: May 25, 2023

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Mathew Cyriac
Chairman
DIN: 01903606
Place: Mumbai

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 25, 2023

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: May 25, 2023

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

1. CORPORATE INFORMATION

Gokaldas Exports Limited ('GEL' or 'the Company') (having Corporate Identity Number(CIN): L18101KA2004PLC033475) and its subsidiaries ('the Group') are mainly engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Group is from manufacture and sale of garments and related products, both domestic and overseas.

The Company is a public Company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bengaluru.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its Consolidated Financial Statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these Consolidated Financial Statements, unless otherwise indicated.

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 01, 2016. The Consolidated Financial Statements of the Group, have been prepared and presented in accordance with Ind AS.

Effective April 01, 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 01, 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, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

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:

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

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

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

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

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

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

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

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

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

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

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

c. Foreign currencies

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

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

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

d. Revenue recognition

i. Revenue from Contracts with Customers:

Effective April 01, 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 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

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

Performance obligations and timing of revenue recognition:

The 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

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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

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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 01, 2016.

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

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

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

Category of assets	Estimated useful life
Buildings	30 years
Plant and machinery	15 years
Electrical equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

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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 01, 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

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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.

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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

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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.

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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,

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if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

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

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

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

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

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

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

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

r. Corporate Social Responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated statement of profit and loss.

s. Cash and Cash equivalent

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

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

2.4 The entities consolidated in the Consolidated Financial Statements are listed below:

Particulars	Gokaldas Exports Limited		All Colour Garments Private Limited		SNS Clothing Private Limited		Vignesh Apparels Private Limited		Gokaldasexports Acharpura Private Limited		Sri Susamyuta Knits Private Limited		Gokaldas Exports FZCO		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Country of incorporation	India		India		India		India		India		India		Dubai			
Relationship as at the year end	Holding Company		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary			
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Net assets i.e. total assets minus total liabilities																
- As a % of consolidated net assets	100.76%	100.21%	0.42%	0.52%	1.65%	1.98%	0.11%	0.14%	-0.01%	0.00%	0.01%	0.00%	0.09%	-	103.02%	102.84%
- ₹ in Lakhs (A)	89,298.97	70,962.96	369.16	369.57	1,461.64	1,404.18	96.17	96.56	(9.17)	(2.88)	9.99	0.50	78.46	-	91,305.22	72,830.89
Consolidation adjustments/eliminations (B)															(2,680.10)	(2,013.34)
Total (A-B)															88,625.12	70,817.55
Share in profit and loss																
- As a % of profit and loss	103.14%	99.70%	0.00%	0.00%	0.33%	0.57%	0.00%	0.00%	-0.04%	-0.03%	0.00%	0.00%	-0.06%	0.00%	103.36%	102.84%
- ₹ in Lakhs (C)	17,840.03	11,672.98	(0.40)	(0.39)	56.37	66.46	(0.38)	(0.35)	(6.29)	(3.88)	(0.50)	(0.50)	(10.52)	-	17,878.31	11,734.32
Consolidation adjustments/eliminations (D)															(581.67)	(26.19)
Total (C-D)															17,296.64	11,708.13
Share in other Comprehensive income																
- As a % of profit and loss	100.50%	100.06%	0.00%	0.00%	-0.05%	-0.06%	0.00%	0.00%	0.00%	0.00%	-0.45%	0.00%	0.00%	0.00%	100.00%	102.84%
- ₹ in Lakhs (E)	(2,233.52)	708.90	-	-	1.09	(0.42)	-	-	-	-	9.99	-	-	-	(2,222.44)	708.48
Consolidation adjustments/eliminations (F)															-	-
Total (E-F)															(2,222.44)	708.48
Share in total comprehensive income																
- As a % of total comprehensive income	103.53%	99.72%	0.00%	0.00%	0.38%	0.57%	0.00%	0.00%	-0.04%	-0.03%	0.06%	0.00%	-0.07%	-	103.86%	100.25%
- ₹ in Lakhs (G)	15,606.51	12,381.88	(0.40)	(0.39)	57.46	71.04	(0.38)	(0.35)	(6.29)	(3.88)	9.49	(0.50)	(10.52)	-	15,655.86	12,447.80
Consolidation adjustments/eliminations (H)															(581.66)	(31.19)
Total (G-H)															15,074.20	12,416.61

The figures have been considered from the respective standalone financial statements and the consolidated figure has been arrived after consolidation adjustments/eliminations.

Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidaries have been drawn upto the same reporting date as of the Company.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

3 (A) PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value [1]												
At April 01, 2021	**734.78**	**1,652.35**	**2,161.17**	**15,050.81**	**704.18**	**605.18**	**580.94**	**606.41**	**71.61**	**22,167.43**	**-**	**-**
Additions	-	33.69	556.14	4,757.01	101.51	203.58	243.84	138.80	52.84	6,087.41	1,104.36	1,104.36
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(1,859.16)	(13.28)	(31.40)	-	-	(13.38)	(1,917.22)	-	-
At March 31, 2022	**734.78**	**1,686.04**	**2,717.31**	**17,948.66**	**792.41**	**777.36**	**824.78**	**745.21**	**111.07**	**26,337.62**	**1,104.36**	**1,104.36**
Additions	987.00	32.04	431.40	2,753.36	27.38	201.82	204.72	201.93	102.40	4,942.05	9,682.26	9,682.26
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(800.96)	-	(1,201.58)	(152.00)	(6.55)	(93.68)	(118.36)	(8.46)	(2,381.59)	-	-
At March 31, 2023	**1,721.78**	**917.12**	**3,148.71**	**19,500.44**	**667.79**	**972.63**	**935.82**	**828.78**	**205.01**	**28,898.08**	**10,786.62**	**10,786.62**
Depreciation												
At April 01, 2021	**-**	**721.81**	**939.22**	**6,670.47**	**254.30**	**325.05**	**245.36**	**438.23**	**41.59**	**9,636.03**	**-**	**-**
Charge for the year	-	87.12	519.02	1,858.54	102.66	178.54	87.15	149.62	7.09	2,989.74	-	-
Disposals	-	-	-	(1,766.14)	(12.26)	(27.47)	-	-	(12.71)	(1,818.58)	-	-
At March 31, 2022	**-**	**808.93**	**1,458.24**	**6,762.87**	**344.70**	**476.12**	**332.51**	**587.85**	**35.97**	**10,807.19**	**-**	**-**
Charge for the year	-	68.85	448.10	2,409.12	106.57	195.71	153.88	169.08	35.26	3,586.57	-	-
Disposals	-	(604.89)	-	(1,133.72)	(144.06)	(5.81)	(92.92)	(117.87)	(8.12)	(2,107.39)	-	-
At March 31, 2023	**-**	**272.89**	**1,906.34**	**8,038.27**	**307.21**	**666.02**	**393.47**	**639.06**	**63.11**	**12,286.37**	**-**	**-**
Net book value												
At March 31, 2023	**1,721.78**	**644.23**	**1,242.37**	**11,462.17**	**360.58**	**306.61**	**542.35**	**189.72**	**141.90**	**16,611.71**	**10,786.62**	**10,786.62**
At March 31, 2022	**734.78**	**877.11**	**1,259.07**	**11,185.79**	**447.71**	**301.24**	**492.27**	**157.36**	**75.10**	**15,530.43**	**1,104.36**	**1,104.36**

[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 01, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 14 for information on property, plant and equipment pledged as security by the Company.

Capital work-in-progress mainly comprises of leasehold improvements under construction.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

3 (B) RIGHT-OF-USE ASSETS

Particulars	Right-of-use		
	Buildings	Vehicles	Total
Right-of-use assets			
At April 01, 2021	15,935.03	-	15,935.03
Additions (including modifications)	4,797.83	-	4,797.83
Disposals	(123.39)	-	(123.39)
At March 31, 2022	**20,609.47**	**-**	**20,609.47**
Additions (including modifications)	1,421.66	327.53	1,749.19
Disposals	(268.43)	-	(268.43)
At March 31, 2023	**21,762.70**	**327.53**	**22,090.23**
Amortisation			
At April 01, 2021	4,918.88	-	4,918.88
Additions (including modifications)	2,739.38	-	2,739.38
Disposals	(34.40)	-	(34.40)
At March 31, 2022	**7,623.86**	**-**	**7,623.86**
Additions (including modifications)	3,332.29	37.51	3,369.80
Disposals	(155.55)	-	(155.55)
At March 31, 2023	**10,800.60**	**37.51**	**10,838.11**
Net Book value			
At March 31, 2023	**10,962.10**	**290.02**	**11,252.12**
At March 31, 2022	**12,985.61**	**-**	**12,985.61**

4. OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross carrying value [1]		
At April 01, 2021	696.26	696.26
Additions	249.47	249.47
At March 31, 2022	**945.73**	**945.73**
Additions	56.73	56.73
At March 31, 2023	**1,002.46**	**1,002.46**
Amortisation and impairment		
At April 01, 2021	506.15	506.15
Amortisation for the year	165.70	165.70
At March 31, 2022	**671.85**	**671.85**
Amortisation for the year	218.66	218.66
At March 31, 2023	**890.51**	**890.51**
Net book value		
At March 31, 2023	**111.95**	**111.95**
At March 31, 2022	**273.88**	**273.88**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 01, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

5 (A) FINANCIAL ASSETS - NON CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
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	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
Total investment in unquoted equity shares in a body corporates	**-**	**-**
Total (i+ii)	**0.29**	**0.29**

Note 1:

Particulars	As at March 31, 2023	As at March 31, 2022
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment*	(626.56)	(626.56)
Total	**-**	**-**

* The Company has filed legal proceedings against Yepme UK which is pending before the VI Chief Metropolitan Magistrate (Economic Offences) Court, Bengaluru.

Particulars	As at March 31, 2023	As at March 31, 2022
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) FINANCIAL ASSETS - CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Units	Units	Amount	Amount
Investments carried at fair value through profit and loss				
Investment in liquid mutual fund units				
Quoted				
Kotak Liquid Fund Direct - G	1,08,297	-	4,925.78	-
Kotak Money market direct-G	1,16,937	28,083	4,476.74	1,016.82
SBI Liquid Direct - G	1,32,326	15,126	4,662.25	504.17
HDFC Money market Direct -G	91,999	65,036	4,527.94	3,027.29
HDFC Liquid Direct - G	98,111	44,191	4,339.65	1,849.29
ICICI Prud Money market direct-G	12,47,736	9,86,691	4,046.52	3,028.10

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Particulars	As at March 31, 2023 Units	As at March 31, 2022 Units	As at March 31, 2023 Amount	As at March 31, 2022 Amount
ICICI Pru Liquid Direct -G	9,31,726	9,44,257	3,104.37	2,976.83
Axis Liquid Fund Direct-G	1,72,571	-	4,315.81	-
Axis Credit risk Direct-G	-	54,54,818	-	1,023.52
Aditya Birla SL Savings Direct - G	-	3,41,193	-	1,519.37
Nippon India Money Market fund	-	14,922	-	499.98
Total Investment in mutual fund units			**34,399.06**	**15,445.37**
Aggregate carrying amount and market value of mutual fund investments			34,399.06	15,445.37

6. FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars		As at March 31, 2023	As at March 31, 2022
Carried at amortised cost			
Unsecured, considered good			
(a) Non current			
Security and other deposits (refer note below)		2,767.62	2,684.95
Bank balances (including term deposits)		-	1,496.84
Loans to employees		54.33	37.61
Total other financial assets - non current	(A)	**2,821.95**	**4,219.40**
(b) Current			
Derivative instruments at fair value through OCI			
Cash flow hedges - foreign exchange forward contracts		9.99	1,377.03
Other financial assets at amortised cost			
Interest accrued on bank deposits		21.33	41.29
Loans to employees		82.71	88.70
Total other financial assets - current	(B)	**114.03**	**1,507.02**
Total other financial assets	(A+B)	**2,935.98**	**5,726.42**

Note: Security and other deposits are primarily in relation to public utility services and rental agreements.

7 (A) DEFERRED TAX ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Impact of difference between tax depreciation and depreciation for financial reporting	400.00	302.21
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years on payment basis	2,664.73	876.77
Total Deferred tax assets	**3,064.73**	**1,178.98**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Movement in deferred tax asset is as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,178.98	680.90
Recognised in profit and loss	1,528.14	1,178.98
Recognised in OCI	357.61	-
MAT credit entitlement reversed	-	(680.90)
Closing balance	**3,064.73**	**1,178.98**

7 (B) NON CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payment of income tax (including tax paid under protest)	408.85	1,176.97
Total non-current tax assets	**408.85**	**1,176.97**

8. OTHER CURRENT/NON-CURRENT ASSETS

Particulars		As at March 31, 2023	As at March 31, 2022
(a) Non current			
Unsecured, considered good			
Export incentives receivable		-	36.45
Capital advances		1,011.02	1,541.88
Prepaid expenses		153.53	117.47
Preoperative expenses		-	76.75
	(A)	**1,164.55**	**1,772.55**
Unsecured, considered doubtful			
Advance to suppliers [note 8(a)(i)]		178.05	272.63
Export incentives receivable [note 8(a)(i)]		-	190.52
Less: Provision for doubtful advances and receivables [note 8(a)(i)]		(178.05)	(463.15)
	(B)	-	-
Total non-current assets	(A+B)	**1,164.55**	**1,772.55**

Note 8 (a) (i): Movement is as below:

	Advance to suppliers	Export incentive receivables	Impairment	Total
Balance as at April 01, 2021	272.63	30.00	(302.63)	-
Add: Additional provision recognised in profit and loss during the year (refer note 28)	-	160.52	(160.52)	-
Balance as at April 01, 2022	**272.63**	**190.52**	**(463.15)**	**-**
Less: Amount written off	94.58	-	(94.58)	-
Less: Provision reversal recognised in profit and loss during the year (refer note 21)	-	190.52	(190.52)	-
Balance as at March 31, 2023	**178.05**	**-**	**(178.05)**	**-**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Note 8 (b): Current

Particulars		As at March 31, 2023	As at March 31, 2022
Unsecured, considered good			
Prepaid expenses		871.45	1,002.78
Balances with statutory/government authorities		1,848.40	2,422.98
Advance to suppliers		2,313.56	2,137.88
Export incentives receivable		3,151.67	6,519.08
Total current assets	(C)	**8,185.08**	**12,082.72**
Total other current/non-current assets	(A+B+C)	**9,349.63**	**13,855.27**

9. INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials (including packing materials) and components	12,055.92	13,674.99
Work-in-progress	12,377.82	17,646.49
Finished goods (readymade garments)	4,271.78	11,366.43
Consumables, stores and spares parts	593.70	674.09
Total inventories	**29,299.22**	**43,362.00**
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	378.74	204.21
Finished goods (readymade garments)	3,195.37	9,167.36
	3,574.11	**9,371.57**

(a) For method of valuation for each class of inventories, refer note 2.3(k)

(b) The value of inventories above is stated net of writedown of ₹ 4,109.93 Lakhs as at March 31, 2023 (as at March 31, 2022: ₹ 3,842.31 Lakhs)

(c) The carrying value of inventories as at March 31, 2023 and March 31, 2022 is pledged as security against the borrowings (refer note 14)

10. FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables:		
From related parties	-	-
From others	13,582.68	9,219.38
Total	**13,582.68**	**9,219.38**
(A) Breakup of trade receivables		
Secured, considered good	-	-
Unsecured, considered good	13,582.68	9,219.38
Trade receivables which have significant increase in credit risk	243.75	231.91
Trade receivables - credit impaired	-	-
	13,826.43	**9,451.29**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Particulars		As at March 31, 2023	As at March 31, 2022
(B) Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good		-	-
Trade receivables which have significant increase in credit risk		(243.75)	(231.91)
Trade receivables - credit impaired		-	-
		(243.75)	**(231.91)**
Total financial assets - trade receivables	(A+B)	**13,582.68**	**9,219.38**

Notes:

i. The Group follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

ii. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

iii. Trade receivables are non-interest bearing.

Aging of trade receivables:

There are no disputed trade receivables as at and for the years ended March 31, 2023 and March 31, 2022.

Below is the list of undisputed trade receivables outstanding for following periods from the due date.

March 31, 2023:

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Less than 6 months	13,572.81	-	-	13,572.81
6 months to 1 year	9.87	91.78	-	101.65
1 to 2 years	-	96.86	-	96.86
2 to 3 years	-	31.20	-	31.20
More than 3 years	-	23.91	-	23.91
Total	**13,826.43**	**243.75**	**-**	**13,826.43**

March 31, 2022:

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Less than 6 months	9,219.38	48.71	-	9,268.09
6 months to 1 year	-	9.10	-	9.10
1 to 2 years	-	127.57	-	127.57
2 to 3 years	-	45.87	-	45.87
More than 3 years	-	0.66	-	0.66
Total	**9,219.38**	**231.91**	**-**	**9,451.29**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

11. FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [1,2]	1,464.13	1,255.45
Cash on hand	8.08	12.79
Total Financial assets - Cash and cash equivalents (Current)	**1,472.21**	**1,268.24**
Non-current		
Bank balances other than cash and cash equivalents		
Deposits with remaining maturity for more than 12 months	-	386.94
Deposits with original maturity of more than 3 months but less than/equal to 12 months	-	1,109.90
	-	1,496.84
Amount disclosed under other financial assets [refer note 6(a)]	-	(1,496.84)
Total Financial assets - Cash and cash equivalents (Non current)	**-**	**-**

Bank balances (other than cash and cash equivalents)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
In fixed deposits accounts		
Held as margin money or security against borrowings and other commitments		
With remaining maturity for more than 12 months	-	-
With original maturity of more than 3 months but less than/equal to 12 months	926.48	-
	926.48	**-**

Note:

[1] Balances with bank on current accounts does not earn interest.

[2] includes balances in Exchange Earner's Foreign Currency Accounts.

12. EQUITY SHARE CAPITAL

Particulars	Number of shares	Amount
Authorised share capital		
At April 01, 2021	5,50,00,000	2,750.00
Increase during the year	1,00,00,000	500.00
At March 31, 2022	**6,50,00,000**	**3,250.00**
Increase during the year	-	-
At March 31, 2023	**6,50,00,000**	**3,250.00**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

(a) Issued equity capital

Particulars	Number of shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 01, 2021	4,28,95,663	2,144.78
Add: received during the year on account of issue of shares	1,54,24,164	771.21
Add: received during the year on account of exercise of share options	6,57,167	32.86
At March 31, 2022	5,89,76,994	2,948.85
Add: received during the year on account of exercise of share options	16,01,000	80.05
At March 31, 2023	**6,05,77,994**	**3,028.90**

(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

Particulars	As at March 31, 2023	As at March 31, 2022
Clear Wealth Consultancy Services LLP		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	64,55,957	1,39,55,957
% holding in the class	10.66%	18.59%
SBI Mutual Funds (refer note 12(c)(i))		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	44,45,020	57,50,020
% holding in the class	7.34%	7.66%
Nippon Life India Trustee Ltd		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	40,03,779	35,98,972
% holding in the class	6.61%	4.79%

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

Note 12 (c) (i): SBI mutual funds comprises of (for current and previous year):

SBI Magnum Children’s Benefit Fund;

SBI Magnum Midcap Fund;

SBI Resurgent India Opportunities Scheme;

SBI Equity Savings Fund;

SBI Consumption Opportunities Fund;

SBI Conservative Hybrid Fund;

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

(d) Details on shareholding of promoters

Promoter name	As at March 31, 2023	As at March 31, 2022
Clear Wealth Consultancy Services LLP		
No of shares	64,55,957	1,39,55,957
% of total shares	10.66%	23.66%
% change during the year	(53.74)%	0.00%
Gautham Madhavan		
No of shares	2,49,391	2,49,391
% of total shares	0.41%	0.42%
% change during the year	0.00%	0.00%

(e) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 39.

13. OTHER EQUITY

Particulars		As at March 31, 2023	As at March 31, 2022
Reserves and Surplus			
(A)	**Securities premium reserve**		
	Balance at the beginning of the year	49,429.05	20,509.74
	Add: received during the year on account of issue of shares (refer note 48)	-	28,444.08
	Add: received during the year on account of exercise of share options	351.44	10.20
	Add: transfer from share based payments reserve	1,179.32	465.03
	Balance at the end of the year	**50,959.81**	**49,429.05**
	This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.		
(B)	**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	1,272.32	1,601.53
	Add: addition during the year (refer note 39)	2,298.00	135.82
	Less: transfer to securities premium reserve	(1,179.32)	(465.03)
	Balance at the end of the year	**2,391.00**	**1,272.32**
	Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
(E) Retained earnings		
Balance at the beginning of the year	3,829.09	(8,191.50)
Profit for the year	17,296.64	11,708.13
Add: Remeasurement of post employment benefits obligations (net of deferred tax)	207.91	312.46
Balance at the end of the year	**21,333.64**	**3,829.09**
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) Foreign currency translation reserve		
Balance at the beginning of the year	-	-
Add: gain/(loss) for the year	3.88	-
Balance at the end of the year	**3.88**	**-**
The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than the Indian rupees is recognized in other comprehensive income and is presented within equity.		
(G) Cash flow hedging reserve		
Balance at the beginning of the year	1,377.03	981.01
Add: Reclassified to the statement of profit and loss	(2,430.35)	396.02
Balance at the end of the year	**(1,053.32)**	**1,377.03**
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)	**85,596.22**	**67,868.70**

14. FINANCIAL LIABILITIES - BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non-current borrowings		
Term loans from banks (Secured)		
Indian rupee term loan from bank	964.31	238.06
Total non-current borrowings (Secured) (Refer Note 14(A))	**964.31**	**238.06**
(b) Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan [1,2,3,4,5,6,11,12,13]	900.00	1,500.00
Bill discounting from banks [7,8,9,10]	-	4,102.28
Current maturities of long-term borrowings	1,680.76	466.60
Total current borrowings (Secured)	**2,580.76**	**6,068.88**
Total current borrowings (Secured+Unsecured) (Refer Note 14(B))	**2,580.76**	**6,068.88**
Total Financial liabilities - Borrowings	**3,545.07**	**6,306.94**
The above amount includes:		
Secured non-current borrowings	964.31	238.06
Secured current borrowings	2,580.76	6,068.88
	3,545.07	**6,306.94**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Note 14 (A): Notes on non-current borrowings

Indian rupee term loan from bank (Secured)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross amount of indian rupee term loan taken	6,051.10	5,013.10
Outstanding balance:		
Non current borrowings	964.31	238.06
Current maturities of long-term borrowings	1,680.76	466.60
Total outstanding balance	**2,645.07**	**704.66**
Applicable Interest rate	8.85% to 9.05%	8.00%

Terms of repayment:

Indian rupee term loan from banks is repayable in 24 to 60 equal monthly/quarterly instalments with a moratorium period of 6 to 12 months.

Particulars	As at March 31, 2023	As at March 31, 2022
Number of instalments due as at Balance sheet date (months)	13 to 60	19
Maturity profile including current maturities:		
Not later than one year	1,680.76	466.60
Later than one year but not later than two years	964.31	238.06
Later than two years but not later than three years	-	-
Later than three years but not later than four years	-	-
Later than four years but not later than five years	-	-
More than five years	-	-
	2,645.07	**704.66**

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) hypothecation of Plant & Machinery and Equipments and Land & Buildings.

During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 37) have given any personal guarantee or personal security for any non-current borrowings taken by the Company and is outstanding as at balance sheet date.

Note 14(B):Notes on current borrowings:

[1] Indian rupee packing credit loan from a bank of ₹ 2,000 Lakhs (March 31, 2022: ₹ 2,000 Lakhs) carries interest @ Marginal cost of funds based lending rate ('MCLR') + 0.75% (March 31, 2022: MCLR + 0.75%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 300 Lakhs is outstanding as at March 31, 2023 (March 31, 2022: ₹ Nil). Also refer note 14(B) [14] and [15] below.

[2] Indian rupee packing credit loan from a bank of ₹ 2500 Lakhs (March 31, 2022: ₹ Nil) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2022: 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, ₹ 200

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Lakhs is outstanding as at March 31, 2023 (March 31, 2022: ₹ Nil). Also refer note 14(B) [14] and [15] below.

[3] Indian rupee packing credit loan from a bank of ₹ 3,000 Lakhs (March 31, 2022: ₹ 3,000) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2022: 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, ₹ 200 Lakhs is outstanding as at March 31, 2023 (March 31, 2022:₹ Nil). Also refer note 14(B) [14] and [15] below.

[4] Indian rupee packing credit loan from a bank of ₹ 7,500 Lakhs (March 31, 2022: ₹ 7,500 Lakhs) carries interest rate linked to @3 months Marginal cost of funds based lending rate(' MCLR') plus applicatble spread of 0.45% p.a for Indian rupee packing credit loan and 6 months SOFR for foreign currency packing credit loan plus applicable spread of 2% p.a (March 31, 2022: @3 months MCLR for Indian rupee packing credit loan plus applicable spred of 0.45% p.a and 6 months SOFR for foreign currency packing credit loan plus applicable spread of 2% p.a). Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ 200 Lakhs is outstanding as at March 31, 2023 (March 31, 2022: ₹ 1,000 Lakhs) refer note 14(B) [14] and [15] below.

[5] Indian rupee packing credit loan from a bank of ₹ 6,000 Lakhs (March 31, 2022: ₹ 6,000 Lakhs) carries interest rate linked to @ 6 months Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.55% p.a and 6 months SOFR for foreign currency packing credit loan plus applicable spread of 2% p.a (March 31, 2022: @ 6 months MCLR plus applicable spread of 0.55% and 6 months SOFR for foreign currency packing credit loan plus applicable spread of 2% p.a) Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ 500 Lakhs). Also refer note 14(B) [14] and [15] below.

[6] Indian rupee packing credit loan from a bank of ₹ 2,000 Lakhs (March 31, 2022: ₹ 2,000 Lakhs) carries interest rate linked to @ 6 months Marginal cost of funds based lending rate ('MCLR') (March 31, 2022: @ 6 months MCLR). Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ Nil). Also refer note 14(B) [14] and [15] below.

[7] Bill discounting from a bank of ₹ 3,000 Lakhs (March 31, 2022: ₹ 3,000 Lakhs) carries interest @SOFR 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, 2022: LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and @ MCLR plus 0.75% 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, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ 2,868.15 Lakhs). Also refer note 14(B) [14] and [15] below.

[8] Bill discounting from a bank of ₹ 2,000 Lakhs (March 31, 2022: ₹ 2,000 Lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') for Indian Rupee bills discounting (March 31, 2022: @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, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ 453.45 Lakhs). Also refer note 14(B) [14] and [15] below.

[9] Bill discounting from a bank of ₹ 1,500 Lakhs (March 31, 2022: ₹ 1,500 Lakhs) carries interest rate linked to @3 months Marginal cost of fund based lending rate plus applicable spread of 0.45% p.a ("MCLR')for Indian rupee bill discounting loan and @6 months SOFR plus 2% for foreign currency bill discounting loan (March 31, 2022: @3 months MCLR for Indian rupee bill discounting loan plus applicable spread of 0.45% p.a and @6 months SOFR plus 2% p.a for foreign currency bill discounting loan). Interest on the above loans is payable on transaction basis. These loans are secured by pari passu charge on (i) current assets of the Company; and (ii) Fixed assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ 780.68 Lakhs). Also refer note 14(B) [14] and [15] below.

[10] Bill discounting from a bank of ₹ 2,500 Lakhs (March 31, 2022: ₹ 2,500 Lakhs) carries interest rate linked to @6 months Marginal cost of fund based lending rate plus applicable spread of 0.55% p.a ('MCLR') for Indian rupee bill discounting loan and 6 months SOFR for foreign currency bill discounting loan plus applicable spread of 2% p.a (March 31, 2022: @6 months MCLR for Indian rupee bill discounting loan plus applicable spread of 0.55% p.a and 6 months SOFR plus applicable spread of 2% p.a for foreign currency bill discounting loan). Interest on the above loans is payable on transaction basis. These loans are secured by pari passu charge on (i) current assets of the Company; and (ii) Fixed assets of the Company.

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For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Out of the above, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ Nil). Also refer note 14(B) [14] and [15] below.

[11] Indian rupee packing credit loan, bill discounting and bank overdraft from a bank of ₹ 2,000 Lakhs (March 31, 2022: ₹ Nil) carries interest rate linked to @ 3 months Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.25% p.a (March 31, 2022: Nil). Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ Nil). Also refer note 14(B) [14] and [15] below.

[12] Indian rupee packing credit loan, bill discounting and bank overdraft from a bank of ₹ 2,000 Lakhs (March 31, 2022: ₹ Nil) carries interest rate linked to @ 6 months Marginal cost of funds based lending rate ('MCLR') (March 31, 2022: Nil). Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ Nil). Also refer note 14(B) [14] and [15] below.

[13] Indian rupee packing credit loan, bill discounting and bank overdraft from a bank of ₹ 2,000 Lakhs (March 31, 2022: ₹ Nil) carries interest rate linked to @ 3 months Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.05% p.a (March 31, 2022: Nil). Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ Nil Lakhs is outstanding as at March 31, 2023 (March 31, 2022: ₹ Nil). Also refer note 14(B) [14] and [15] below.

[14] Bank overdraft from banks of ₹ 2,500 Lakhs (March 31, 2022: ₹ 2,500 Lakhs) carries interest linked to @6 month MCLR plus applicable spreads ranging from 0.75% to 2.50% p.a. (March 31, 2022: @6 month MCLR plus applicable spreads ranging from 0.75% to 2.50% p.a.). Interest on the above loan is payable on monthly basis. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2023 (March 31, 2022: ₹ Nil). Also refer note 14(B)[15] below.

[15] The Company has further provided the following as the collateral to the Multiple Banking Arrangement (MBA) lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 14(B).

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company and its subsidiary,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

[16] The Company has availed the interest subvention during the years ended March 31, 2023 and March 31, 2022 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

[17] 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.

[18] Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties.

15. LEASE LIABILITIES

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	**Non current**		
	Lease liabilities	8,676.98	10,315.19
		8,676.98	**10,315.19**
(b)	**Current**		
	Lease liabilities	3,219.09	2,682.17
		3,219.09	**2,682.17**
Total Lease liabilities (Current + Non-current)		**11,896.07**	**12,997.36**

Refer Note 34(I) for maturity profile and other details.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

16. PROVISION FOR EMPLOYEE BENEFITS

Particulars		As at March 31, 2023	As at March 31, 2022
(a) Non current			
Gratuity (refer note 36)		1,346.89	668.33
Total Provision for employee benefits - non-current	(A)	**1,346.89**	**668.33**
(b) Current			
Gratuity (refer note 36)		2,592.59	2,365.48
Compensated absences		1,805.22	1,358.26
Total Provision for employee benefits - current	(B)	**4,397.81**	**3,723.74**

17. FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Total outstanding dues of micro, small and medium enterprises; and	241.02	94.75
Total outstanding dues of creditors other than micro, small and medium enterprises	8,160.12	11,689.58
Total financial liabilities - Trade payables	**8,401.14**	**11,784.33**

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.
- For explanations on the Company's credit risk management processes, Refer note 40.

Aging of trade payables:

There are no disputed trade payables as at and for the years ended March 31, 2023 and March 31, 2022.

Below is the list of undisputed trade payables outstanding for following periods from the due date.

March 31, 2023

Periods	MSME	Others
Less than 1 year	241.02	8,160.12
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total	**241.02**	**8,160.12**

March 31, 2022

Periods	MSME	Others
Less than 1 year	94.75	11,468.74
1 to 2 years	-	220.84
2 to 3 years	-	-
More than 3 years	-	-
Total	**94.75**	**11,689.58**

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For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

18. FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	1,420.92	-
Other financial liabilities at amortised cost		
Interest accrued and not due on loans	324.25	233.75
Employee related payables	7,943.24	8,646.78
Accrued expenses*	4,164.93	4,161.57
Liability for capital assets	915.84	481.93
Total financial liabilities - other current financial liabilities	**14,769.18**	**13,524.03**

* Accrued expenses represent amounts accrued for other operational expenses.

19. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Advances received from customers	197.81	250.02
Statutory liabilities payable*	1,022.44	1,054.90
Total Other current liabilities	**1,220.25**	**1,304.92**

*Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

20. REVENUE FROM OPERATIONS

Particulars		YTD As at March 31, 2023	YTD As at March 31, 2022
(a)	**Sale of finished goods**		
	Exports	1,85,190.38	1,49,112.14
	Domestic	21,415.77	17,753.05
		2,06,606.15	**1,66,865.19**
(b)	**Other operating revenues**		
	Export incentives and others*	11,492.43	8,813.05
	Sale of accessories, fabrics, scrap and others	3,338.95	3,082.74
	Job work income	782.05	270.59
		15,613.43	**12,166.38**
Total Revenue from operations		**2,22,219.58**	**1,79,031.57**

* 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, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

i. Disaggregation of Revenue from sale of finished goods

The Company has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 34.

Primary Geographic Markets (Name of the country)	Sale of finished goods	
	As at March 31, 2023	As at March 31, 2022
United States of America	1,65,149.21	1,34,221.24
Canada	8,273.13	5,595.42
Netherlands	4,311.42	2,203.18
United Kingdom	1,459.83	1,355.07
France	1,296.21	1,116.98
China	1,151.89	729.86
Australia	495.54	231.86
Japan	466.36	320.02
Panama	467.32	82.51
Denmark	296.05	622.58
Spain	145.36	506.02
Germany	149.96	122.20
Other Overseas Countries	1,528.10	2,005.20
India	21,415.77	17,753.05
Total	**2,06,606.15**	**1,66,865.19**

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counterparties, timing of transfer of goods, uncertainty of revenue and cashflows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

ii. Remaining performance obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

iii. Estimates and assumptions

There are no significant estimates and assumptions.

iv. Contract balances

Particulars	Contract liabilities	
	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	250.02	144.47
Less: Amount included in contract liabilities that was recognised as revenue during the period	(250.02)	(144.47)
Add: Cash received in advance of performance and not recognised as revenue during the period	197.81	250.02
Balance at the end of the year	**197.81**	**250.02**

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

21. OTHER INCOME

Particulars	As at March 31, 2023	As at March 31, 2022
Interest income on:		
Bank deposits	112.92	453.74
Security deposits	169.75	139.64
Income tax refunds	55.77	52.54
Other non-operating income:		
Net gain on disposal of property, plant and equipment	19.26	60.55
Gain on sale of investments in mutual fund units	425.98	85.36
Fair value gain on investments in mutual fund units	1,163.55	193.83
Provision no longer required written back	190.52	62.31
Miscellaneous income	365.60	20.80
Total other income	**2,503.35**	**1,068.77**

22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	As at March 31, 2023	As at March 31, 2022
Inventory at the beginning of the year	13,674.99	9,200.50
Add: Purchases	1,03,615.31	1,04,744.21
	1,17,290.30	**1,13,944.71**
Less: inventory at the end of the year	(12,055.92)	(13,674.99)
Total cost of raw materials and components consumed	**1,05,234.38**	**1,00,269.72**

23. PURCHASES OF STOCK-IN-TRADE

Particulars	As at March 31, 2023	As at March 31, 2022
Purchases of stock-in-trade	119.58	1,478.89
Total Purchases of stock-in-trade	**119.58**	**1,478.89**

24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	As at March 31, 2023	As at March 31, 2022
Inventories at the beginning of the year		
Work-in-progress	17,646.49	11,736.31
Finished goods (Readymade garments)	11,366.43	4,347.59
	29,012.92	**16,083.90**
Inventories at the end of the year		
Work-in-progress	12,377.82	17,646.49
Finished goods (Readymade garments)	4,271.78	11,366.43
	16,649.60	**29,012.92**
Total changes in inventories of finished goods and work-in-progress	**12,363.32**	**(12,929.02)**

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25. EMPLOYEE BENEFITS EXPENSE

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries and wages	50,399.84	46,049.36
Contribution to provident and other funds	5,910.88	5,045.55
Share based payment expenses	2,298.00	135.82
Gratuity expense (net)	1,610.44	1,328.86
Staff welfare expense	1,712.49	1,317.99
Total employee benefit expenses	**61,931.65**	**53,877.58**

26. FINANCE COSTS

Particulars	As at March 31, 2023	As at March 31, 2022
Interest charge		
on Indian rupee packing credit loan/Indian rupee loan from bank	178.13	1,259.38
on bill discounting and others	23.80	410.20
on lease liabilities	1,497.42	1,376.73
Bank charges and other borrowing costs	872.46	974.43
Total finance costs	**2,571.81**	**4,020.74**

27. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation of property, plant and equipment	3,586.57	2,989.74
Amortisation of other intangible assets	218.66	165.70
Amortisation on right-of-use assets	3,369.80	2,739.38
Total depreciation and amortisation expense	**7,175.03**	**5,894.82**

28. OTHER EXPENSES

Particulars	As at March 31, 2023	As at March 31, 2022
Consumption of stores and spares and other manufacturing expenses	2,078.39	1,907.15
Water, electricity and fuel charges	3,090.63	2,601.20
Clearing, forwarding and freight	2,043.47	3,208.06
Rental charges	1,261.22	1,513.52
Legal and professional fees	1,288.55	1,129.82
Travelling and conveyance	679.47	535.61
Rates and taxes	326.14	237.02
Insurance	450.10	526.69
Repairs and maintenance		
Plant and machinery	903.48	827.30
Buildings	216.94	161.24
Others	962.85	632.46

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
Communication costs	182.58	170.51
Payments to auditors [Refer note 28(a)]	52.55	34.64
Sitting fees	51.20	58.40
Corporate social responsibility expenditure [Refer note 28(b)]	103.55	46.58
Provision for doubtful deposits and advances	-	160.52
Irrecoverable balances written off	-	272.72
Provision for doubtful debts	27.70	8.07
Miscellaneous expenses	1,256.39	1,085.51
Total other expenses	**14,975.21**	**15,117.02**

Note 28 (a): Payment to auditors (exclusive of GST)

Particulars	As at March 31, 2023	As at March 31, 2022
As auditor:		
Audit fees (including fees for audit of consolidated and Standalone Financial Statements and quarterly limited reviews)	45.00	33.00
In other capacity:		
Certificates	2.00	-
Reimbursement of expenses	5.55	1.64
Total payment to auditors (exclusive of GST)	**52.55**	**34.64**

Note 28 (b): Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are utilized through the year on the activities specified in Schedule VII of the Companies Act, 2013.

The nature of the corporate social responsibility activities undertaken by the Company for the year ended March 31, 2023 and March 31, 2022 includes education and healthcare.

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Amount required to be spent as per Section 135 of the Act	103.55	46.58
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	**103.55**	**46.58**
Amount approved by the Board to be spent during the year	103.55	46.58

Details related to amount spent/unspent

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution to the trust by the Company (A)	103.55	36.00
CSR expenditure directly incurred by the Company (B)	-	11.00
Total amount incurred by the Company (A+B)	**103.55**	**47.00**
Amount of expenditure incurred by the trust	71.51	-

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount remaining unspent by the trust for the year	32.04	36.00
Cumulative amount remaining unspent by the trust at the end of the year	32.04	36.00
Amount deposited in specified fund of schedule VII of the Act within 6 months (₹)	-	-
Nature of activity as part of ongoing CSR project	Healthcare	Education

There are no contributions to Related Parties/no CSR Expenditure incurred with Related Parties.

29. EXCEPTIONAL ITEMS

Particulars	As at March 31, 2023	As at March 31, 2022
Net gain on disposal of Property, plant and equipment (Refer note 46)	605.03	-
	605.03	**-**

30. INCOME TAX

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. These companies can claim tax exemptions/ deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Companies are liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic Company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 01, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Current tax	4,830.57	1,170.15
(b) Adjustment of tax relating to earlier periods	(160.11)	(677.07)
(c) Deferred tax	(1,528.14)	(498.08)
Total taxes	**3,142.32**	**(5.00)**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	As at March 31, 2023	As at March 31, 2022
Profit/(Loss) after exceptional items and before tax	20,438.96	11,703.13
Applicable normal income tax rate in India	25.168%	25.168%
Computed tax expense	5,144.08	2,945.44

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of:		
Exempted income	(5,293.46)	(4,568.98)
Expenses disallowed	3,291.70	3,197.04
Carried forwarded tax losses	-	(1,578.50)
Total tax expenses	**3,142.32**	**(5.00)**

31. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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	As at March 31, 2023	As at March 31, 2022
Face value of equity shares (₹ per share)	5.00	5.00
Profit/(Loss) attributable to equity holders of the Group	17,296.64	11,708.13
Weighted average number of equity shares used for computing earning per share (basic)	6,04,80,887	5,07,30,394
Weighted average number of equity shares used for computing earning per share (diluted)	6,35,91,768	5,28,84,069
EPS - basic (₹)	28.60	23.08
EPS - diluted (₹)	27.20	22.14

32. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

d. Impairment of non-current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in operations, etc.

e. Fair value measurement of financial instruments

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

f. Contingencies

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

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

g. Defined benefit obligations

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

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

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

Further details about gratuity obligations are given in note 36.

h. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "Changes in inventories of finished goods and work-in-progress" in the statement of profit and loss.

i. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Consolidated Financial Statements

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j. Non current assets held for sale

Non current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

k. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/RSUs granted. The Company estimates fair value of ESOPs/RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

l. Revenue from Export incentives

For measurement of income from the export incentives, significant estimates and judgments are made which include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate notified/to be notified by the government authorities.

33. SEGMENT INFORMATION - DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENT'

(a) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses; (b) whose operating results are regularly reviewed by the Group's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Group is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

(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**	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
India	35,622.76	27,933.31	39,926.95	31,666.83
Rest of world	1,86,596.82	1,51,098.26	-	-
Total	**2,22,219.58**	**1,79,031.57**	**39,926.95**	**31,666.83**

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2022: Three) customer amounted to ₹ 154,269.69 Lakhs (March 31, 2022: ₹ 125,129.35 Lakhs), arising from sales of readymade garments.

*Total Revenue from operations by geographical area are based on the geographical location of the client.

**Non-current assets excludes non current financial assets and non current tax assets.

34. COMMITMENTS AND CONTINGENCIES

I. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based

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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:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	12,997.36	11,328.73
Additions	1,721.77	3,716.01
Deletions	(108.67)	(88.99)
Finance cost accrued	1,497.42	1,376.73
Payment of lease liabilities	(4,211.81)	(3,335.12)
Closing balance	**11,896.07**	**12,997.36**

The break-up of current and non-current lease liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	3,219.08	2,682.17
Non-current lease liabilities	8,676.99	10,315.19
Total	**11,896.07**	**12,997.36**

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	4,360.26	4,018.89
One to five years	10,295.11	12,031.26
More than five years	1,305.85	1,345.24
Total	**15,961.22**	**17,395.39**

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 ₹ 1,261.22 Lakhs (March 31, 2022: ₹ 1,513.52 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.

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(All amounts in Indian Rupees in Lakhs, except stated otherwise)

The following is a description of claims and assertions where a potential loss is possible, but not probable. The 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	As at March 31, 2023	As at March 31, 2022
(a)	**Bank Guarantees**		
	Sanctioned	2,770.00	150.00
	Outstanding	366.52	150.00
(b)	**Outstanding letters of credit**		
	Sanctioned	16,822.00	6,322.00
	Outstanding	4,171.34	3,587.68
(c)	**Litigations**		
	(i) Matters relating to direct taxes under dispute *	-	278.43
	(ii) Matters relating to other taxes under dispute	122.54	122.54

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(ii) The 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	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,848.98	93.46
Commitments relating to forward contract- hedge of highly probable forecast sales	1,43,037.06	1,44,555.43

IV. Corporate guarantee

The Company has provided corporate guarantee to the banks for the credit limits obtained by the wholly owned subsidiaries namely "Sri Susamyuta Knits Private Limited" and "Gokaldasexports Acharpura Private Limited".

35. HEDGING ACTIVITIES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

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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, 2023	USD	1,731.16	82.62
March 31, 2023	INR	1,43,037.06	
March 31, 2022	USD	1,850.43	78.12
March 31, 2022	INR	1,44,555.43	

The Group is holding the following foreign currency forward contracts to hedge the exposure for import of capital goods.

Particulars	Currency	Amount	Average Strike rate
March 31, 2023	EUR	6.08	1.09
March 31, 2023	USD	6.62	
March 31, 2022	EUR	-	-
March 31, 2022	USD	-	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

Particulars	As at March 31, 2023	As at March 31, 2022
Nominal amount of hedging instrument	1,43,043.68	1,44,555.43
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	9.99	1,377.03
Liabilities	1,420.92	-
Line item in balance sheet where hedging instrument is disclosed	Refer Note 18	Refer Note 6
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:

Particulars	As at March 31, 2023	As at March 31, 2022
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	1,410.93	1,377.03
For hedges no longer applied	-	-
Total balance	**1,410.93**	**1,377.03**

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 and import of capital goods during the year ended March 31, 2023 and March 31, 2022 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, 2023 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ended March 31, 2024 and March 31, 2025.

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(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on:

Cash flow hedge reserve	As at March 31, 2023	As at March 31, 2022
Opening balance	1,377.03	981.01
Movement in OCI:		
Gain/(loss) recognised in OCI during the year	(543.82)	2,130.54
Less: amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	(1,886.53)	(1,734.52)
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	(2,430.35)	396.02
Less: amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**(1,410.93)**	**1,377.03**

The Group offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

36. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the consolidated statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit.

(a) Net benefit expenses (recognised in the consolidated statement of profit and loss)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	1,415.52	1,174.05
Net interest cost on defined benefit obligations/(assets)	203.21	154.81
Net benefit expenses	**1,618.73**	**1,328.86**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial (gain)/loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	316.56	(131.97)
Actuarial (gain)/loss on obligations arising from changes in experience adjustments	(526.75)	(180.53)
Actuarial (gain)/loss arising during the year	**(210.19)**	**(312.50)**
Return on plan assets (greater)/less than discount rate	2.28	0.04
Actuarial (gain)/loss recognised in other comprehensive income	**(207.91)**	**(312.46)**

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(c) Net defined benefit asset/(liability)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	3,967.08	3,061.41
Fair value of plan assets	(27.60)	(27.60)
Plan liability/(asset)	**3,939.48**	**3,033.81**

(d) Changes in the present value of defined benefit obligation are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	3,061.42	2,477.48
Current service cost	1,415.52	1,174.05
Interest cost on the defined benefit obligation	205.24	156.57
Benefits paid	(504.91)	(434.19)
Actuarial (gain)/loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	316.56	(131.97)
Actuarial (gain)/loss on obligations arising from changes in experience adjustments	(526.75)	(180.53)
Closing defined benefit obligation	**3,967.08**	**3,061.41**

(e) Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	27.60	25.88
Interest income on plan assets	2.03	1.76
Contributions by employer	505.16	434.19
Benefits paid	(504.91)	(434.19)
Return on plan assets (lesser)/greater than discount rate	(2.28)	(0.04)
Closing fair value of plan assets	**27.60**	**27.60**

The Group expects to contribute ₹ 2,592.59 Lakhs (March 31, 2022: ₹ 2,365.48 Lakhs) towards gratuity fund.

(f) The following benefit payments (undiscounted) are expected in future years:

Particulars	As at March 31, 2023
March 31, 2024	793.14
March 31, 2025	558.07
March 31, 2026	429.97
March 31, 2027	320.96
March 31, 2028	319.66
March 31, 2029 to March 31, 2033	3,403.35

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(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Investments with insurer	100%	100%

(h) The principal assumptions used in determining gratuity for the Group's plan is as shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (in %)	7.31%	6.93%
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 (2012-14) ultimate.
5. Refer note 16 for current and non current classification.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(168.14)	(156.72)
Impact of defined benefit obligation due to 1% decrease in discount rate	183.39	173.46
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	158.55	158.32
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(148.16)	(145.17)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(39.15)	(17.73)
Impact of defined benefit obligation due to 1% decrease in attrition rate	40.96	17.53

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.

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37. RELATED PARTY TRANSACTIONS

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director) (upto November 28, 2022)
	Mr. Mathew Cyriac, (Chairman and Non Executive Director) (appointed as Chairman w.e.f November 29, 2022)
	Mr. Sivaramakrishnan Ganapathi, Vice Chairman and Managing Director
	Mr. George Varughese (Independent Director) (w.e.f October 27, 2022)
	Mr. Shivanandan Ashok Dalvie (Independent Director) (w.e.f October 27, 2022)
	Ms. Rama Bijapurkar (Independent Director) (w.e.f October 27, 2022)
	Mr. Prabhat Kumar Singh (Wholetime Director)
	Mr. Poorana Seenivasan (Executive Director) (w.e.f October 27, 2022)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Mr. Gourish Hegde, (Company Secretary) (w.e.f February 10, 2023)
	Ms. Anuradha Sharma (Independent Director) (upto February 07, 2023)
	Mr. Gautham Madhavan (Non Executive Director) (upto October 27, 2022)
	Ms. Shrithee MS (Company Secretary) (upto November 11, 2022)

b. Summary of transactions during the year with the above related parties are as follows:

		Particulars	As at March 31, 2023	As at March 31, 2022
i)	**Stock options exercised during the year (face value + Security premium)**			
	Richard B Saldanha		15.24	-
	Sivaramakrishnan Ganapathi		307.88	-
	Sathyamurthy A		61.79	3.75
ii)	**Managerial remuneration to**			
	a)	**Key managerial personnel**		
		Sivaramakrishnan Ganapathi	962.09	687.59
		Sathyamurthy A	169.85	173.94
		Prabhat Kumar Singh	65.00	65.00
		Poorana Seenivasan	89.03	-
		Gourish Hegde	2.01	-
		Shrithee MS	8.71	13.53
			1,296.69	**940.06**
	b)	**Sitting fees paid to directors (independent directors and non-executive directors)**		
		Richard B. Saldanha	10.40	14.40
		Mathew Cyriac	14.40	14.40
		George Varughese	3.20	-
		Shivanandan Ashok Dalvie	1.60	-

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Particulars		As at March 31, 2023	As at March 31, 2022
	Rama Bijapurkar	2.40	-
	Anuradha Sharma	10.40	16.80
	Gautham Madhavan	8.80	12.80
		51.20	**58.40**
c)	**Summary of compensation of key managerial personnel of the Company [1]**		
	Managerial remuneration	1,296.69	940.06
	Sitting fees	51.20	58.40
	Share based payment expenses	1,161.86	72.77
		2,509.75	**1,071.23**

c. Summary of outstanding balances with the above related parties are as follows:

Particulars		As at March 31, 2023	As at March 31, 2022
i)	**Remuneration payable to Key managerial personnel**		
	Sivaramakrishnan Ganapathi	719.37	423.37
	Poorana Seenivasan	38.71	-
	Sathyamurthy A	50.00	40.00
		808.08	**463.37**

[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.

38. DISCLOSURES OF DUES/PAYMENTS TO MICRO, SMALL AND MEDIUM ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE GROUP

Particulars		As at March 31, 2023	As at March 31, 2022
i.	The principal amount due thereon remaining unpaid as at the year end Interest amount due and remaining unpaid as at the year end	241.02	94.75
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	-	-

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39. SHARE- BASED PAYMENTS

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Company approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries and directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Group and provided for the issue of 2,133,040 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated April 03, 2022 approved Stock Option Plan (ESOP 2022) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Company and provided for the issue of 3,000,000 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:

Particulars	As at March 31, 2023	As at March 31, 2022
Expense arising from equity-settled share based payment transactions	2,298.00	135.82
	2,298.00	**135.82**

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	As at March 31, 2023		As at March 31, 2022	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	4,85,000	78.30	5,41,667	78.30
Granted during the year	-	-	-	-
Exercised during the year	(4,65,000)	-	(21,667)	-
Lapsed during the year	-	-	(35,000)	-
Closing balance	**20,000**	**78.30**	**4,85,000**	**78.30**
Exercisable as at year end	20,000		4,85,000	

The weighted average share price at the date of exercise of the options during the period is ₹ 376.27 (March 31, 2022: ₹ 231.99).

The weighted average remaining contractual life for the share options outstanding is 3.17 years (March 31, 2022: 4.88 years).

The range of exercise prices for options outstanding at the end of the year was ₹ 60.95 to ₹ 85.96 (March 31, 2022: ₹ 60.95 to ₹ 85.96).

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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	As at March 31, 2023		As at March 31, 2022	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	12,69,500	5.00	18,05,000	5.00
Granted during the year	-	-	1,00,000	5.00
Exercised during the year	(11,36,000)	5.00	(6,35,500)	5.00
Lapsed during the year	-	-	-	-
Closing balance	1,33,500	5.00	12,69,500	5.00
Exercisable as at year end	83,500		11,69,500	

The weighted average share price at the date of exercise of the options during the period is ₹ 380.01 (March 31, 2022: ₹ 193.52).

The weighted average remaining contractual life for the share options outstanding is 4.88 years (March 31, 2022: 4.40 years).

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2022: ₹ 194.00).

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2022: ₹ 5).

Movement during the year for ESOP 2022 Plan:

The activity in the ESOP 2022 Plan for equity-settled share based payment transactions is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	-	-	-	-
Granted during the year	30,00,000	302.20	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	(1,09,500)	-	-	-
Closing balance	28,90,500	302.20	-	-
Exercisable as at year end	-		-	

The weighted average remaining contractual life for the share options outstanding is 7 years (March 31, 2022: Not Applicable)

The weighted average fair value of options granted during the year was ₹ 236.25 (March 31, 2022: Not Applicable).

The range of exercise prices for options outstanding at the end of the year was ₹ 302.20 (March 31, 2022: Not Applicable).

The following table list the inputs to the models used for the RSU 2018 plan:

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend yield (%)	-	-
Expected volatility (%)	-	59.00%
Risk-free interest rate (%)	-	5.50% to 7.70%

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Particulars	As at March 31, 2023	As at March 31, 2022
Expected life of share options (years)	-	6 to 7
Weighted average exercise price (₹)	-	5.00
Model used	-	Black-Scholes Merton (BSM) options pricing model

* No options were granted under RSU 2018 during the year ended March 31, 2023.

The following table list the inputs to the models used for the ESOP 2022 plan:

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend yield (%)	-	-
Expected volatility (%)	54.43%	-
Risk-free interest rate (%)	6.77%	-
Expected life of share options (years)	7.00	-
Weighted average exercise price (₹)	302.20	-
Model used	Black-Scholes Merton (BSM) options pricing model	-

* No options were granted under ESOP 2022 during the year ended March 31, 2022.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

40. DISCLOSURES ON FINANCIAL INSTRUMENTS

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in Note 2.2 (b) and Note 2.3 (o) to the Consolidated Financial Statements.

(a) Financial assets and liabilities

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

As at March 31, 2023

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	34,399.35	-	34,399.35
Trade receivables	13,582.68	-	13,582.68
Cash and cash equivalents	1,472.21	-	1,472.21

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Particulars	Amortised cost	Fair value through OCI	Total
Other financials assets	2,925.99	-	2,925.99
Other bank balances (other than cash and cash equivalents)	926.48	-	926.48
Foreign exchange forward contracts	-	9.99	9.99
Total assets	**53,306.71**	**9.99**	**53,316.70**
Financial liabilities			
Lease liabilities	11,896.07	-	11,896.07
Borrowings	3,545.07	-	3,545.07
Trade payables	8,401.14	-	8,401.14
Other financial liabilities	13,348.26	-	13,348.26
Foreign exchange forward contracts	-	1,420.92	1,420.92
Total liabilities	**37,190.54**	**1,420.92**	**38,611.46**

As at March 31, 2022

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	15,445.66	-	15,445.66
Trade receivables	9,219.38	-	9,219.38
Cash and cash equivalents	1,268.24	-	1,268.24
Other financials assets	4,349.39	-	4,349.39
Other bank balances (other than cash and cash equivalents)	-	-	-
Foreign exchange forward contracts	-	1,377.03	1,377.03
Total assets	**30,282.67**	**1,377.03**	**31,659.70**
Financial liabilities			
Lease liabilities	12,997.36	-	12,997.36
Borrowings	6,306.94	-	6,306.94
Trade payables	11,784.33	-	11,784.33
Other financial liabilities	13,524.03	-	13,524.03
Total liabilities	44,612.66	-	44,612.66

(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).

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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, 2023				
Financial assets				
Foreign exchange forward contracts	-	9.99	-	9.99
Financial liabilities				
Foreign exchange forward contracts	-	1,420.92	-	1,420.92
March 31, 2022				
Financial assets				
Foreign exchange forward contracts	-	1,377.03	-	1,377.03

(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 ₹ 2,767.62 Lakhs as at March 31, 2023 (March 31, 2022: ₹ 2,684.95 Lakhs) was ₹ 2,767.62 Lakhs (March 31, 2022: ₹ 2,684.95 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, 2023 and March 31, 2022.

(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.

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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, 2023	50	17.73
March 31, 2022	50	31.53

(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, 2023 and March 31, 2022, the Company hedged ₹ 143,037.06 Lakhs (USD 1,731.16 Lakhs) and ₹ 144,555.43 Lakhs (USD 1,850.43 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.

As at March 31, 2023 and March 31, 2022, the Company hedged EUR 6.62 Lakhs (USD 6.08 Lakhs) and Nil respectively of it expected foreign currency commitments. Those hedged commitments were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2023 and March 31, 2022:

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Assets			
Trade receivables	USD	154.88	43.53
Trade receivables	EUR	2.08	-
Advance to suppliers	USD	24.12	25.25
Advance to suppliers	HKD	0.37	-
Capital advances	USD	3.48	0.06
Capital advances	EUR	4.87	-
Liabilities			
Trade payables	USD	3.91	7.34
Liability for capital assets	USD	-	2.71
Liability for capital assets	EUR	6.03	0.97
Advances received from customers	USD	4.02	1.10
Advances received from customers	EUR	-	0.46

Note: All figures are in Lakhs.

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(All amounts in Indian Rupees in Lakhs, except stated otherwise)

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, 2023	5%	717.23
USD		
March 31, 2022	5%	218.41
USD		

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2023 and March 31, 2022. 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 ₹ 53,316.70 Lakhs and ₹ 31,659.70 Lakhs, as at March 31, 2023 and March 31, 2022 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, 2023			
Lease liabilities	3,219.09	8,676.98	11,896.07
Borrowings	2,580.76	964.31	3,545.07
Trade payables	8,401.14	-	8,401.14
Other financial liabilities	14,769.18	-	14,769.18
	28,970.17	**9,641.29**	**38,611.46**
March 31, 2022			
Lease liabilities	2,682.17	10,315.19	12,997.36
Borrowings	6,068.88	238.06	6,306.94

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

Particulars	0-1 year	> 1 year	Total
Trade payables	11,784.33	-	11,784.33
Other financial liabilities	13,524.03	-	13,524.03
	34,059.41	**10,553.25**	**44,612.66**

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, 2023 and March 31, 2022 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Group's investment in a foreign associate.

41. CAPITAL MANAGEMENT

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

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

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings including current maturities	3,545.07	6,306.94
Total debts	**3,545.07**	**6,306.94**
Capital components		
Equity share capital	3,028.90	2,948.85
Other equity	85,596.22	67,868.70
Total capital	**88,625.12**	**70,817.55**
Capital and borrowings	**92,170.19**	**77,124.49**
Gearing ratio (%)	**3.85%**	**8.18%**

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, 2023 and March 31, 2022.

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, 2023. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the Consolidated Financial Statements, particularly on the amount of tax expense and that of provision for taxation.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

43.

The Group assessed the fair value less cost of sale of the investment in an associate held for sale. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Group's investment. The Group has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 Lakhs as an exceptional charge during the year ended March 31, 2019. The Group continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss. Further to related developments during the year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.

44.

The Group had filed petition with the Group Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

45.

The Board of Directors of the Company at their meeting held on May 25, 2023 have recommended a final dividend of ₹1/- (one rupee only) per equity share (i.e. 20% of face value of ₹ 5 per equity share) for the financial year ended March 31, 2023. The dividend recommended by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company and if approved, would result in a cash outflow of approximately ₹ 605.78 Lakhs. The final dividend on shares is recorded as a liability on the date of approval by the shareholders.

46.

During the year, pursuant to the approval of the Board of Directors, the Company has concluded the sale of one of its building on leasehold land and other assets. The transaction has resulted in a gain of ₹ 605.03 Lakhs, which has been recognised as an exceptional item.

47.

The Company is in the process of augmenting its production capacity at cost-efficient locations. The Company intends to carry out the expansion projects under new wholly-owned subsidiary companies to regulate the business in an efficient manner and to be in a better position to service international customers.

In view of the above, during the board meeting held on February 10, 2023, the Company has obtained approval of the board to incorporate a new wholly-owned subsidiary Company. Consequently, "Gokaldas Exports Corporation" was incorporated on April 14, 2023.

Further, the board of directors have approved on March 31, 2023 to incorporate a new wholly-owned subsidiary Company in Dubai, UAE. Consequently, "Nava Apparels L.L.C-FZ" was incorporated on May 01, 2023.

48. THE BOARD OF DIRECTORS, IN THEIR MEETING HELD ON AUGUST 24, 2021, HAD APPROVED:

(a) To increase the authorised share capital of the Company, from existing ₹ 275,000,000 (Rupees Twenty Seven Crores Fifty Lakhs Only) divided into 55,000,000 (Five Crores Fifty Lakhs Only) equity shares of ₹ 5/- each ("Equity Shares") to ₹ 325,000,000/- (Rupees Thirty Two Crores Fifty Lakhs Only) divided into 65,000,000 (Six Crores Fifty Lakhs Only) Equity Shares of ₹ 5/- each ranking pari-passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company, and consequent to alteration of capital clause V of the Memorandum of Association of the Company.

(b) Raising of funds for an amount aggregating up to ₹ 300 Crores, by way of issuance of any instrument or security including equity shares, fully or partly convertible debentures, non-convertible debenture warrants, any other equity based instruments or securities or any combination thereof in one or more tranches, including by way of a public issue, preferential allotment or a private placement (including one or more Qualified Institutions Placement ("QIP")) in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law, or through any other permissible mode and/or any combination thereof, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, subject to the receipt of necessary approvals, including the approval of the members of the Company and such other regulatory and statutory approvals as maybe required.

In order to give effect to the above, the Board has also constituted and authorized the Fund Raise Committee of the Board to, inter-alia, decide the terms and conditions of the proposed fund raise.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

In relation to the above, pursuant to the resolution passed by the Board of Directors of the Company on August 24, 2021 and the resolution passed by the shareholders of the Company on September 17, 2021, the Fund Raise Committee have, on October 07, 2021, issued and allotted 15,424,164 equity shares of ₹ 5 each, at an issue price of ₹ 194.50 per equity share (including ₹ 189.50 per equity share towards securities premium) aggregating to ₹ 300 Crores (rounded off) to Qualified Institutional Buyers under chapter VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and under provisions of all other applicable laws.

49.

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 03, 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.

50. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

a. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks are in agreement with the books of accounts.

c. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

d. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

f. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

    a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

    b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

   The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

    a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

    b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

h. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts in Indian Rupees in Lakhs, except stated otherwise)

i. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

j. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

51. UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year March 31, 2023 and March 31, 2022 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

52.

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

53.

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.

54.

For the period/days of the respective covid lockdowns imposed by the government during FY 2020-21, the Company had evaluated the various directions, circulars and orders issued by relevant government authorities regarding payment of wages to employees, accordingly had paid certain ex-gratia amount to eligible employees. Management evaluated further directions, orders issued by relevant government authorities and understand that the matter should be settled based on mutual discussion between relevant stakeholders. Pending conclusion of such matter, management believes that the Company continues to be in compliance with the directives and will reassess this periodically.

55.

The statement of audited Consolidated Financial Statements for the year ended March 31, 2023 have been reviewed by the Audit Committee in their meeting on May 25, 2023 and approved by the Board of Directors in their meeting held on May 25, 2023.

56.

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.

57.

Previous year's figures have been regrouped/reclassified, wherever necessary to confirm to the current year's classification.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
ICAI Firm registration No.: 105047W

Pankaj S Bhauwala
Partner
Membership No.: 233552

Place: Bengaluru
Date: May 25, 2023

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Mathew Cyriac
Chairman
DIN: 01903606
Place: Mumbai

Sivaramakrishnan Ganapathi
Vice Chairman and Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 25, 2023

Gourish Hegde
Company Secretary
Membership No: A44775

Place: Bengaluru
Date: May 25, 2023

Independent Auditor's Report

To the Members of Gokaldas Exports Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition - Cut off	
Refer Note 2.3 of consolidated financial statements with respect to the accounting policies followed by the Company for recognizing revenue. In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue is one of the key measures of performance. Revenue is identified as an area of significant risk. As per the Accounting Policy, the Company derives its revenue primarily from sale of garments and related products, with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer/ agent nominated by the customer. At the year-end management has to exercise significant judgement & control as the volume of transactions are high. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our audit procedures included the following: 1. Assessed the appropriateness of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115"). 2. Obtained an understanding and assessed the design, implementation, and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. 3. Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents like sales invoices/ contracts and related logistics documents. 4. Performed the cut-off testing to test that the revenue is recorded in the appropriate period and traced the sales with Bill of lading to confirm the recognition of revenue. 5. Assessed manual journals posted to revenue to identify unusual items & tested the same on a sample basis.

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

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group .

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 5,228.49 lakhs as at March 31, 2022, total revenues of ₹ 387.57 lakhs and net cash flows amounting to ₹ (17.70) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ Nil as at March 31, 2022, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the period from January 10, 2022 (date of incorporation) to March 31, 2022, respectively, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note 34 to the consolidated financial statements.

        ii. The Group has long-term contracts including derivative contracts as on March 31, 2022 for which there were no material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.

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

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

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

v. The Holding Company, and its subsidiary companies, incorporated in India have neither declared nor paid any dividend during the year.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of four subsidiaries, , as the provisions of the aforesaid section is not applicable to private company/companies.

3. According to the information and explanations given to us and based on the report issued by us for the Holding Company as required by the Companies (Auditor's Report) Order, 2020 ('CARO'), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we report that there are no qualifications / adverse remarks. Further, CARO report is not applicable in respect of the subsidiary company.

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

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBIKE2147

Place: Bengaluru
Date: April 29, 2022

Annexure A

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBIKE2147

Place: Bengaluru
Date: April 29, 2022

Annexure B

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the Consolidated Financial Statements for the year ended March 31, 2022]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to the subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBIKE2147

Place: Bengaluru
Date: April 29, 2022

Consolidated Balance Sheet

as at March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non- current assets			
Property, plant and equipment	3(A)	15,530.43	12,531.40
Right-of-use assets	3(B)	12,985.61	11,016.15
Capital work-in-progress	3(A)	1,104.36	-
Other intangible assets	4	273.88	190.11
Financial assets			
Investments	5(A)	0.29	0.29
Other financial assets	6(A)	4,219.40	17,594.34
Deferred tax assets	7(A)	1,178.98	680.90
Non-current tax assets (net)	7(B)	1,176.97	664.62
Other non-current assets	8(A)	1,772.55	336.21
Total non-current assets		**38,242.47**	**43,014.02**
Current assets			
Inventories	9	43,362.00	25,920.02
Financial assets			
Investments	5(B)	15,445.37	3,680.89
Trade receivables	10	9,219.38	17,983.76
Cash and cash equivalents	11	1,268.24	1,526.19
Other financial assets	6(B)	1,507.02	1,464.14
Other current assets	8(C)	12,082.72	5,402.89
Total current assets		**82,884.73**	**55,977.89**
Total assets		**1,21,127.20**	**98,991.91**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	2,948.85	2,144.78
Other equity	13	67,868.70	26,861.99
Total equity		**70,817.55**	**29,006.77**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	238.06	1,884.27
Lease liabilities	15	10,315.19	8,555.17
Provision for employee benefits	16(A)	668.33	527.00
Total non-current liabilities		**11,221.58**	**10,966.44**
Current liabilities			
Financial liabilities			
Borrowings	14	6,068.88	34,637.43
Trade payables	17		
Total outstanding dues of micro, small and medium enterprises		94.75	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises		11,689.58	8,545.40
Lease liabilities	15	2,682.17	2,773.56
Other current financial liabilities	18	13,524.03	8,980.01
Other current liabilities	19	1,304.92	906.94
Provision for employee benefits	16(B)	3,723.74	2,785.86
Current tax liability (net)	20	-	337.79
Total current liabilities		**39,088.07**	**59,018.70**
Total equity and liabilities		**1,21,127.20**	**98,991.91**
Summary of significant accounting policies.	2.3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer
Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

		Notes	March 31, 2022	March 31, 2021
I	**Income**			
	Revenue from operations	21	1,79,031.57	1,21,072.73
	Other income	22	1,068.77	1,220.96
	Total income		**1,80,100.34**	**1,22,293.69**
II	**Expenses**			
	Cost of raw materials and components consumed	23	1,00,269.72	56,562.36
	Purchases of stock-in-trade	24	1,478.89	-
	Changes in inventories of finished goods and work-in-progress	25	(12,929.02)	3,941.80
	Employee benefits expense	26	53,877.58	37,156.38
	Finance costs	27	4,020.74	3,446.23
	Depreciation and amortization expenses	28	5,894.82	5,261.50
	Job work charges		2,776.86	1,203.70
	(Gain)/loss on account of foreign exchange fluctuations (net)		(2,109.40)	155.96
	Other expenses	29	15,117.02	11,903.96
	Total expenses		**1,68,397.21**	**1,19,631.89**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**11,703.13**	**2,661.80**
IV	**Exceptional items**		-	-
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**11,703.13**	**2,661.80**
VI	**Tax expenses**	30		
	Current tax		1,170.15	685.90
	Adjustment of tax relating to earlier years		(677.07)	7.64
	Deferred tax (credit)/charge		(498.08)	(680.90)
			(5.00)	**12.64**
VII	**Profit/(Loss) after tax for the period (V-VI)**		**11,708.13**	**2,649.16**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains on defined benefit plan		312.46	165.69
	Items that will be reclassified to profit or loss in subsequent periods:			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		396.02	3,006.78
	Total other comprehensive income for the year		**708.48**	**3,172.47**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**12,416.61**	**5,821.63**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2021- ₹ 5)]**			
	Basic earnings per share (refer note 31)		23.08	6.18
	Diluted earnings per share (refer note 31)		22.14	5.83
	Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Consolidated statement of changes in equity

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

A. EQUITY SHARE CAPITAL

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2020	4,28,25,663	2,141.28
Add: Issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**
At April 1, 2021	4,28,95,663	2,144.78
Add: Issued during the year	1,60,81,331	804.07
At March 31, 2022	**5,89,76,994**	**2,948.85**

B. OTHER EQUITY

For the year ended March 31, 2022

Particulars	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2021	20,509.74	2,192.09	9,769.12	1,601.53	(8,191.50)	981.01	26,861.99
Profit for the year	-	-	-	-	11,708.13	-	11,708.13
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	396.02	396.02
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	312.46	-	312.46
Total comprehensive income	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**3,829.09**	**1,377.03**	**39,278.60**
Additions (refer note 48)	28,454.28	-	-	-	-	-	28,454.28
Transfer to securities premium on exercise of equity stock options	465.03	-	-	(465.03)	-	-	-
Share based payment expense	-	-	-	135.82	-	-	135.82
At March 31, 2022	**49,429.05**	**2,192.09**	**9,769.12**	**1,272.32**	**3,829.09**	**1,377.03**	**67,868.70**

Consolidated statement of changes in equity

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

For the year ended March 31, 2021

Particulars	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2020	20,459.15	2,192.09	9,769.12	1,131.81	(11,006.35)	(2,025.77)	20,520.05
Profit for the year	-	-	-	-	2,649.16	-	2,649.16
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	3,006.78	3,006.78
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	165.69	-	165.69
Total comprehensive income	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(8,191.50)**	**981.01**	**26,341.68**
Additions	-	-	-	-	-	-	-
Transfer to securities premium on exercise of equity stock options	50.59	-	-	(50.59)	-	-	-
Share based payment expense	-	-	-	520.31	-	-	520.31
At March 31, 2021	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**(8,191.50)**	**981.01**	**26,861.99**

Refer note 2.3 for summary of significant accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Consolidated cash flow statement

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Particulars	Notes	March 31, 2022	March 31, 2021
Cash flow from operating activities			
Profit before exceptional items and tax		**11,703.13**	**2,661.80**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		5,894.82	5,261.50
Net loss/(gain) on disposal of property, plant and equipment		(60.55)	(61.39)
Unrealised foreign exchange (gain)/loss, (net)		102.11	(189.10)
Gain on sale of investments in mutual fund units		(279.19)	(143.76)
Income from government grants		(687.27)	(158.17)
Share based payment expenses		135.82	520.31
Interest income		(645.92)	(744.66)
Finance costs		4,020.74	3,446.23
Irrecoverable balances written off		272.72	84.00
Provision for doubtful deposits and advances		160.52	-
Provision for doubtful debts		8.07	813.77
Excess provision of earlier years written back		(62.31)	-
Operating profit/(loss) before working capital changes		**20,562.69**	**11,490.53**
Changes in operating assets and liabilities:			
(Increase)/ decrease in other financial assets		(1,058.50)	(141.45)
(Increase)/ decrease in other assets		(6,493.65)	1,707.71
(Increase)/ decrease in inventories		(17,441.98)	3,004.03
(Increase)/ decrease in trade receivables		8,767.83	(4,665.08)
Increase/ (decrease) in provisions for employee benefits		1,391.67	(20.70)
Increase/ (decrease) in trade payables		2,843.13	(32.39)
Increase/ (decrease) in other financial liabilities		4,199.36	325.59
Increase/ (decrease) in other liabilities		292.43	(57.50)
		13,062.98	**11,610.74**
Direct taxes refunded/ (paid) (net of refund/payments)		(1,343.22)	260.10
Net cash flows from/ (used in) operating activities (A)		**11,719.76**	**11,870.84**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(7,981.09)	(3,622.12)
Proceeds from sale of property, plant and equipment		159.20	214.25
Investments in bank deposits		(14,989.14)	(14,703.28)
Proceeds from redemption of bank deposits		28,184.41	13,911.01
Investment in mutual funds		(27,000.00)	(1,599.92)
Proceeds from sale of investment in mutual funds		15,514.71	1,614.24
Interest income		882.69	963.63
Net cash flows from/ (used in) investing activities (B)		**(5,229.22)**	**(3,222.19)**
Cash flow from financing activities			
"Proceeds from issue of shares / exercise of share options/Share application money pending allotment"		29,258.35	3.50
Proceeds of short-term borrowings		2,11,418.05	1,68,326.26
Repayment of short-term borrowings		(2,39,131.77)	(1,71,088.69)
Payment of lease liabilities		(3,335.12)	(3,008.25)
Finance costs		(2,511.19)	(2,856.05)
Net cash flows from/ (used in) financing activities (C)		**(4,301.68)**	**(8,623.23)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		2,188.86	25.42
Cash and cash equivalents at the beginning of the year	11	(920.62)	(946.04)
Cash and cash equivalents at the end of the year		**1,268.24**	**(920.62)**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents		1,268.24	1,526.19
Bank overdraft		-	(2,446.81)
Balances per statement of cash flows	11	**1,268.24**	**(920.62)**

Refer note 2.3 for summary of significant accounting policies.

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

Consolidated cash flow statement

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

1. Changes in liabilities arising from financial activities:

Particulars	March 31, 2022	March 31, 2021
Liabilities arising from financing activities		
Short term borrowings		
Opening balance	**29,548.45**	**36,919.75**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(24,000.40)	(7,453.73)
Non-cash changes:		
Foreign exchange fluctuations	54.23	82.43
Closing balance	**5,602.28**	**29,548.45**

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

1 CORPORATE INFORMATION

Gokaldas Exports Limited ('GEL' or 'the Company') (having Corporate Identity Number(CIN): L18101KA2004PLC033475) and its subsidiaries ('the Group') are mainly engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Group is from manufacture and sale of garments and related products, both domestic and overseas.

The Company is a public company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bengaluru.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

2.1 Statement of Compliance

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

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

These consolidated financial statements are presented in Indian Rupees("₹"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns"

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders."

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

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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"

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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.

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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

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situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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

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

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

h. Property, plant and equipment (PPE)

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

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

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

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

Category of asset	Estimated useful life (in years)
Buildings	30 years
Plant and machinery	15 years
Electrical equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

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

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

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

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proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

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

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

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

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

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

i. Borrowing cost

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

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

j. Leases

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

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

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

Group as a lessee

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

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

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

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

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-

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term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

k. Inventories

Inventories are valued as follows:

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

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

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

l. Provisions and contingent liabilities

i. Provisions:

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

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

ii. Contingent liabilities:

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

m. Retirement and other employee benefits

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

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

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

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such

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absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

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

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

a. The date of the plan amendment or curtailment, and

b. The date that the Group recognises related restructuring costs

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

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

n. Share- based payments

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

Equity-settled transactions:

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

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

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

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

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

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

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and

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loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Effective interest method

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

(a) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

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

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

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

De-recognition of financial assets

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

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

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

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

(b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

i. *Financial guarantee contracts*

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

ii. *De-recognition*

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

Off-setting of financial instruments

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

p. Derivative financial instruments

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

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

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

b. Cash flow hedge accounting

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

q. Impairment of non-financial assets

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

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

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at

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the higher of the cash generating unit's net selling price and the value in use.

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

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

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

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

r. Corporate social responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated statement of profit and loss.

s. Cash and Cash equivalent

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

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

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for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

2.4 THE ENTITIES CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE LISTED BELOW:

Particulars	Gokaldas Exports Limited		All Colour Garments Private Limited		SNS Clothing Private Limited		Vignesh Apparels Private Limited		Gokaldasexports Acharpura Private Limited		Sri Susamyuta Knits Private Limited		Gokaldas Exports FZCO		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Country of incorporation	India		India		India		India		India		India		Dubai			
Relationship as at the year end	Holding Company		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary			
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA	100%	NA	100%	NA		
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA	100%	NA	100%	NA		
Net assets i.e. total assets minus total liabilities [1]																
- As a % of consolidated net assets	100.21%	100.62%	0.52%	1.28%	1.98%	4.60%	0.14%	0.33%	0.00%	-	0.00%	-	-	-	102.84%	106.83%
- ₹ in lakhs (A)	70,962.96	29,186.92	369.57	369.96	1,404.18	1,333.14	96.56	96.91	(2.88)	-	0.50	-	-	-	72,830.89	30,986.93
Consolidation adjustments/eliminations (B) [2]															(2,013.34)	(1,980.16)
Total (A-B)															**70,817.55**	**29,006.77**
Share in total comprehensive income																
- As a % of total comprehensive income	99.72%	99.57%	0.00%	-0.01%	0.57%	0.45%	0.00%	-0.01%	-0.03%	-	0.00%	-	-	-	100.25%	100.00%
- ₹ in lakhs (C)	12,381.88	5,796.78	(0.39)	(0.80)	71.04	26.39	(0.35)	(0.74)	(3.88)	-	(0.50)	-	-	-	12,447.80	5,821.63
Consolidation adjustments/eliminations (D) [2]															(31.19)	(0.00)
Total (C-D)															**12,416.61**	**5,821.63**

[1] The figures have been considered from the respective standalone financial statements and the consolidated net asset figure has been arrived after consolidation adjustments/eliminations.

[2] Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidaries have been drawn upto the same reporting date as of the Company.

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for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

3. (A) PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value [1]												
At April 1, 2020	734.78	1,643.57	1,444.37	14,287.97	551.10	364.72	422.11	462.47	74.26	19,985.35	78.98	78.98
Additions	-	21.87	703.87	1,131.61	152.06	241.99	158.58	143.90	-	2,553.88	6.72	6.72
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(85.70)	(85.70)
Disposals	-	-	-	(368.80)	-	(0.16)	-	-	(2.61)	(371.57)	-	-
At March 31, 2021	**734.78**	**1,665.44**	**2,148.24**	**15,050.78**	**703.16**	**606.55**	**580.69**	**606.37**	**71.65**	**22,167.66**	**-**	**-**
Additions	-	33.69	556.14	4,757.01	101.51	203.58	243.84	138.80	52.84	6,087.41	1,104.36	1,104.36
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(1,859.16)	(13.28)	(31.40)	-	-	(13.38)	(1,917.22)	-	-
At March 31, 2022	**734.78**	**1,699.13**	**2,704.38**	**17,948.63**	**791.39**	**778.73**	**824.53**	**745.17**	**111.11**	**26,337.85**	**1,104.36**	**1,104.36**
Depreciation												
At April 1, 2020	-	629.27	521.22	5,159.97	174.02	216.16	192.62	341.65	37.26	7,272.17	-	-
Charge for the year	-	92.11	417.91	1,728.37	80.03	109.01	52.57	96.58	6.21	2,582.79	-	-
Disposals	-	-	-	(216.67)	-	(0.09)	-	-	(1.94)	(218.70)	-	-
At March 31, 2021	**-**	**721.38**	**939.13**	**6,671.67**	**254.05**	**325.08**	**245.19**	**438.23**	**41.53**	**9,636.26**	**-**	**-**
Charge for the year	-	87.12	519.02	1,858.54	102.66	178.54	87.15	149.62	7.09	2,989.74	-	-
Disposals	-	-	-	(1,766.14)	(12.26)	(27.47)	-	-	(12.71)	(1,818.58)	-	-
At March 31, 2022	**-**	**808.50**	**1,458.15**	**6,764.07**	**344.45**	**476.15**	**332.34**	**587.85**	**35.91**	**10,807.42**	**-**	**-**
Net book value												
At March 31, 2022	**734.78**	**890.63**	**1,246.23**	**11,184.56**	**446.94**	**302.58**	**492.19**	**157.32**	**75.20**	**15,530.43**	**1,104.36**	**1,104.36**
At March 31, 2021	**734.78**	**944.06**	**1,209.11**	**8,379.11**	**449.11**	**281.47**	**335.50**	**168.14**	**30.12**	**12,531.40**	**-**	**-**

[1] The Group has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 14 for information on property, plant and equipment pledged as security by the Company.

Capital work-in-progress mainly comprises of leasehold improvements under construction.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

3 (B) RIGHT-OF-USE ASSETS

Particulars	Right-of-use Buildings	Total
Right-of-use assets		
At April 1, 2020	7,289.70	7,289.70
Additions	10,260.54	10,260.54
Disposals	(1,615.21)	(1,615.21)
At March 31, 2021	**15,935.03**	**15,935.03**
Additions	4,797.83	4,797.83
Disposals	(123.39)	(123.39)
At March 31, 2022	**20,609.47**	**20,609.47**
Amortisation		
At April 1, 2020	2,981.64	2,981.64
Additions	2,515.98	2,515.98
Disposals	(578.74)	(578.74)
At March 31, 2021	**4,918.88**	**4,918.88**
Additions	2,739.38	2,739.38
Disposals	(34.40)	(34.40)
At March 31, 2022	**7,623.86**	**7,623.86**
Net Book value		
At March 31, 2022	**12,985.61**	**12,985.61**
At March 31, 2021	**11,016.15**	**11,016.15**

4 OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross carrying value[1]		
At April 1, 2020	563.48	563.48
Additions	132.78	132.78
At March 31, 2021	**696.26**	**696.26**
Additions	249.47	249.47
At March 31, 2022	**945.73**	**945.73**
Amortisation and impairment		
At April 1, 2020	343.42	343.42
Amortisation for the year	162.73	162.73
At March 31, 2021	**506.15**	**506.15**
Amortisation for the year	165.70	165.70
At March 31, 2022	**671.85**	**671.85**
Net book value		
At March 31, 2022	**273.88**	**273.88**
At March 31, 2021	**190.11**	**190.11**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

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All amounts in Indian Rupees in lakhs, except stated otherwise

5 (A) NON CURRENT INVESTMENTS

	March 31, 2022	March 31, 2021
Investments carried at amortised cost		
(i) Investment in unquoted Government securities		
Investment in National Savings Certificates and Indira Vikas Patra	0.29	0.29
Total investment in unquoted government securities	**0.29**	**0.29**
Investments carried at cost		
(ii) Unquoted equity shares in a body corporate		
Yepme UK Limited [22,577 (March 31, 2021: 22,577) 0.1% preference shares of GBP 1 each fully paid up]	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
Total investment in unquoted equity shares in a body corporates	-	-
Total (i+ii)	**0.29**	**0.29**

Note 1:

	March 31, 2022	March 31, 2021
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
	-	-

	March 31, 2022	March 31, 2021
Aggregate amount of quoted investments and market value there of	Not applicable	Not applicable
Aggregate amount of unquoted investments	0.29	0.29
Aggregate amount of impairment in value of investments	626.56	626.56

5 (B) CURRENT INVESTMENTS

	March 31, 2022	March 31, 2021
Investments carried at fair value through profit and loss		
Investment in liquid mutual fund units		
Quoted		
9,44,257 (March 31, 2021 : 6,21,513) Units ICICI Pru Liquid Direct -G	2,976.83	1,893.98
44,191 (March 31, 2021 : 44,170) Units HDFC Liquid Direct - G	1,849.29	1,786.91
3,41,193 (March 31, 2021 : Nil) Units Aditya Birla SL Savings Direct - G	1,519.37	-
54,54,818 (March 31, 2021 : Nil) Units Axis Credit risk Direct-G	1,023.52	-
65,036 (March 31,2021: Nil) Units HDFC Money market Direct -G	3,027.29	-
986,691 (March 31, 2021:Nil) Units ICICI Prud Money market direct-G	3,028.10	-
28,083 (March 31, 2021:Nil) Units Kotak Money market direct-G	1,016.82	-
15,126 (March 31, 2021 : Nil) Units SBI Liquid Direct - G	504.17	-
14,922 (March 31, 2021 : Nil) Units Nippon India Money Market fund	499.98	-
Total Investment in mutual fund units	**15,445.37**	**3,680.89**
Aggregate carrying amount and market value of mutual fund investments	15,445.37	3,680.89

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6 FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

	March 31, 2022	March 31, 2021
Carried at amortised cost		
Unsecured, considered good		
(A) Non-current		
Security and other deposits (refer note below)	2,684.95	2,886.52
Bank balances (including term deposits) (refer note 11)	1,496.84	14,692.11
Loans to employees	37.61	15.71
Total other financial assets - non current	**4,219.40**	**17,594.34**
(B) Current		
Derivative instruments at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	1,377.03	981.01
Other financial assets at amortised cost		
Interest accrued on bank deposits	41.29	417.70
Loans to employees	88.70	65.43
Total other financial assets - current	**1,507.02**	**1,464.14**
Total other financial assets (A+B)	**5,726.42**	**19,058.48**

Note: Security and other deposits are primarily in relation to public utility services and rental agreements.

7 (A) DEFERRED TAX ASSETS

	March 31, 2022	March 31, 2021
Deferred tax assets		
Impact of difference between tax depreciation and depreciation for financial reporting	302.21	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years on payment basis	876.77	-
MAT credit entitlement	-	680.90
Total Deferred tax assets	**1,178.98**	**680.90**

Movement in deferred tax is as below:

	March 31, 2022	March 31, 2021
Opening balance	680.90	74.19
Recognised in profit and loss	1,178.98	680.90
MAT credit entitlement reversed	(680.90)	**(74.19)**
Closing balance	**1,178.98**	**680.90**

7 (B) NON-CURRENT TAX ASSETS (NET)

	March 31, 2022	March 31, 2021
Advance payment of income tax (including tax paid under protest)	1,176.97	664.62
Total non-current tax assets (net)	**1,176.97**	**664.62**

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All amounts in Indian Rupees in lakhs, except stated otherwise

8 OTHER CURRENT / NON-CURRENT ASSETS

	March 31, 2022	March 31, 2021
Non current		
(A) Unsecured, considered good		
Export incentives receivable	36.45	119.89
Capital advances	1541.88	102.93
Prepaid expenses	117.47	113.39
Preoperative expenses	76.75	-
	1,772.55	**336.21**
(B) Unsecured, considered doubtful		
Advance to suppliers	272.63	272.63
Export incentives receivable	190.52	30.00
Less: Provision for doubtful advances and receivables	(463.15)	(302.63)
	-	-
Total non-current assets (A+B)	**1,772.55**	**336.21**
Current		
(C) Unsecured, considered good		
Prepaid expenses	1,002.78	693.64
Balances with statutory / government authorities	2,422.98	1,230.73
Advance to suppliers	2,137.88	1,793.79
Export Incentives receivable	6,519.08	1,684.73
Total current assets	**12,082.72**	**5,402.89**
Total other current / non-current assets (A+B+C)	**13,855.27**	**5,739.10**

9 INVENTORIES

	March 31, 2022	March 31, 2021
Raw materials (including packing materials) and components	13,674.99	9,200.50
Work-in-progress	17,646.49	11,736.31
Finished goods (readymade garments)	11,366.43	4,347.59
Consumables, stores and spares parts	674.09	635.62
Total inventories	**43,362.00**	**25,920.02**
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	204.21	319.62
Finished goods (readymade garments)	9,167.36	1,055.43
	9,371.57	**1,375.05**

(a) For method of valuation for each class of inventories, refer note 2.2(k)

(b) The value of inventores above is stated net of writedown of ₹ 3,842.31 Lakhs as at March 31, 2022 (as at March 31, 2021: ₹ 4,505.98 lakhs)

(c) The carrying value of inventories as at March 31, 2022 and March 31, 2021 is pledged as security against the borrowings (refer note 15)

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All amounts in Indian Rupees in lakhs, except stated otherwise

10 FINANCIAL ASSETS - TRADE RECEIVABLES

	March 31, 2022	March 31, 2021
Trade receivables:		
From related parties	-	-
From others	9,219.38	17,983.76
Total	**9,219.38**	**17,983.76**
(A) Breakup of trade receivables		
Secured, considered good		
Unsecured, considered good	9,219.38	17,983.76
Trade Receivables which have significant increase in credit Risk	231.91	2,185.26
Trade Receivables - credit impaired	-	-
	9,451.29	**20,169.02**
(B) Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good		
Trade Receivables which have significant increase in credit Risk	(231.91)	(2,185.26)
Trade Receivables - credit impaired	-	-
	(231.91)	**(2,185.26)**
Total Financial assets - Trade receivables (A+B)	**9,219.38**	**17,983.76**

Notes:

i. The Group follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

ii. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

iii. Trade receivables are non-interest bearing.

Aging of trade receivables:

There are no disputed trade receivables as at and for the years ended March 31, 2022 and March 31, 2021.

Below is the list of undisputed trade receivables outstanding for following periods from the due date.

March 31, 2022:

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Less than 6 months	9,219.38	48.71	-	9,268.09
6 months to 1 year	-	9.10	-	9.10
1 to 2 years	-	127.57	-	127.57
2 to 3 years	-	45.87	-	45.87
More than 3 years	-	0.66	-	0.66
Total	**9,219.38**	**231.91**	**-**	**9,451.29**

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

March 31, 2021:

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Less than 6 months	17,449.31	-	-	17,449.31
6 months to 1 year	534.45	143.44	-	677.89
1 to 2 years	-	1,045.80	-	1,045.80
2 to 3 years	-	322.62	-	322.62
More than 3 years	-	673.40	-	673.40
Total	**17,983.76**	**2,185.26**	**-**	**20,169.02**

11 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

	March 31, 2022	March 31, 2021
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [1,2]	1,255.45	1,518.12
Cash on hand	12.79	8.07
Total Financial assets - Cash and cash equivalents (Current)	**1,268.24**	**1,526.19**
Non-current		
Bank balances other than cash and cash equivalents		
Bank deposits with remaining maturity for more than 12 months	386.94	386.94
Bank deposits with original maturity of more than 3 months but less than/equal to 12 months	1,109.90	14,305.17
	1,496.84	**14,692.11**
Amount disclosed under other financial assets	(1,496.84)	(14,692.11)
Total Financial assets - Cash and cash equivalents (Non current)	**-**	**-**

Notes:

[1] Balances with bank on current accounts does not earn interest.

[2] includes balances in Exchange Earner's Foreign Currency Accounts.

[3] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

	March 31, 2022	March 31, 2021
Balances with banks		
On current accounts	1,255.45	1,518.12
Cash on hand	12.79	8.07
	1,268.24	**1,526.19**
Less : Bank overdraft *	-	(2,446.81)
Net debt	**1,268.24**	**(920.62)**

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Net debt reconciliation:

	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 01, 2020	**1,229.28**	**(2,175.32)**	**(946.04)**
Cash flows	296.91	(64.12)	232.79
Interest charge	-	(207.37)	(207.37)
Net debt as at March 31, 2021	**1,526.19**	**(2,446.81)**	**(920.62)**
Cash flows	(257.95)	2,539.58	2,281.63
Interest charge	-	(92.77)	(92.77)
Net debt as at March 31, 2022	**1,268.24**	**-**	**1,268.24**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

12 EQUITY SHARE CAPITAL

	Number of shares	Amount
Authorised share capital		
At April 1, 2020	5,50,00,000	2,750.00
Increase during the year	-	-
At March 31, 2021	**5,50,00,000**	**2,750.00**
Increase during the year	1,00,00,000	500.00
At March 31, 2022	**6,50,00,000**	**3,250.00**

(a) Issued equity capital

	Number of shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2020	4,28,25,663	2,141.28
Add: ESOP's issued during the year	70,000	3.50
At March 31, 2021	4,28,95,663	2,144.78
Add: received during the year on account of issue of shares (refer note 48)	1,54,24,164	771.21
Add: received during the year on account of exercise of share options	6,57,167	32.86
At March 31, 2022	**5,89,76,994**	**2,948.85**

(b) Terms/ rights attached to equity shares

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

(i) The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity is entitled to one vote per share.

(ii) The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend.

(iii) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

(c) Details of shareholders holding more than 5% shares in the Company

	March 31, 2022	March 31, 2021
Clear Wealth Consultancy Services LLP:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	1,39,55,957	1,39,55,957
% holding in the class	23.66%	32.53%
SBI Mutual Fund		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	57,50,020	-
% holding in the class	9.75%	-
Nippon Life India Trustee Ltd		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	35,98,972	-
% holding in the class	6.10%	-
Teesta Retail Private Limited:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	22,80,513	22,80,513
% holding in the class	3.87%	5.32%

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

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 39.

13 OTHER EQUITY

		March 31, 2022	March 31, 2021
	Reserves and Surplus		
(A)	**Securities premium reserve**		
	Balance at the beginning of the year	20,509.74	20,459.15
	Add: received during the year on account of issue of shares*	28,444.08	-
	Add: received during the year on account of exercise of ESOP's	10.20	-
	Add: transfer from share-based payments reserve	465.03	50.59
	Balance at the end of the year	**49,429.05**	**20,509.74**
	* net of share issue expenses of ₹ 784.70 lakhs (Refer note 27 and 29)		
	This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.		
(B)	**General reserve**		
	Balance at the end of the year	**2,192.09**	**2,192.09**
	Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.		
(C)	**Capital Reserve on Amalgamation**		
	Balance at the end of the year	**9,769.12**	**9,769.12**
	Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor company.		

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

		March 31, 2022	March 31, 2021
(D)	**Share-based payments reserve**		
	Balance at the beginning of the year	1,601.53	1,131.81
	Add: addition during the year	135.82	520.31
	Less: transfer to securities premium reserve	(465.03)	(50.59)
	Balance at the end of the year	**1,272.32**	**1,601.53**
	Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		
(E)	**Retained earnings**		
	Balance at the beginning of the year	(8,191.50)	(11,006.35)
	Profit / (Loss) for the year	11,708.13	2,649.16
	Add: Remeasurement of post employment benefits obligations (net of deferred tax)	312.46	165.69
	Balance at the end of the year	**3,829.09**	**(8,191.50)**
	Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
(F)	**Cash flow hedging reserve**		
	Balance at the beginning of the year	981.01	(2,025.77)
	Add: gain/(loss) for the year	396.02	3,006.78
	Balance at the end of the year	**1,377.03**	**981.01**
	When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss when related forecasted transaction (hedged item) affects the profit or loss.		
	Total other equity (A+B+C+D+E+F+G)	**67,868.70**	**26,861.99**

14 FINANCIAL LIABILITIES - BORROWINGS

	March 31, 2022	March 31, 2021
Non-current borrowings		
Term loans from banks (Secured)		
Indian rupee term loan from bank	238.06	1,884.27
Total non-current borrowings (Secured) (Refer Note 14(A))	**238.06**	**1,884.27**
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan [1,2,3,4]	1,500.00	22,337.89
Bill discounting from banks [5,6,7,8]	4,102.28	7,210.56
Bank overdraft [9]	-	2,446.81
Current maturities of long-term borrowings	466.60	2,642.17
Total current borrowings (Secured)	**6,068.88**	**34,637.43**
Total current borrowings (Secured+Unsecured) (Refer Note 14(B))	**6,068.88**	**34,637.43**
Total Financial liabilities - Borrowings	**6,306.94**	**36,521.70**

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

14(A): NOTES ON NON-CURRENT BORROWINGS

Indian rupee term loan from bank (Secured)

	March 31, 2022	March 31, 2021
Gross amount of indian rupee term loan taken	5,013.10	5,013.10
Outstanding balance:		
Non current borrowings	238.06	1,884.27
Current maturities of long-term borrowings	466.60	2,642.17
Total outstanding balance	**704.66**	**4,526.44**
Applicable Interest rate	8%	8% to 8.45%

Terms of repayment:

Indian rupee term loan from banks is repayable in 24 to 48 equal monthly instalments with a morotorium period of 6 months.

	March 31, 2022	March 31, 2021
Number of instalments due as at Balance sheet date (months)	19	14 to 42
Maturity profile including current maturities:		
Not later than one year	466.60	2,642.17
Later than one year but not later than two years	238.06	1,106.60
Later than two years but not later than three years	-	466.60
Later than three years but not later than four years	-	311.07
Later than four years but not later than five years	-	-
More than five years	-	-
	704.66	**4,526.44**

Repayment of non current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of non-current borrowings and interest there on.

Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any non-current borrowings from related parties.

Disclosure about the nature of security:

The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) Current assets (including trade receivables) of the Company (iii) hypothication of Plant & Machinery and Equipments and Land & Buildings.

During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 37) have given any personal guarantee or personal security for any non-current borrowings taken by the Company and is outstanding as at balance sheet date.

14(B): NOTES ON CURRENT BORROWINGS:

[1] Indian rupee packing credit loan from a bank of ₹ 2,000 lakhs (March 31, 2021:₹ 6,000 lakhs) carries interest @ Marginal cost of funds based lending rate ('MCLR') + 0.75% (March 31, 2021: MCLR + 0.75%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 5,634.06 lakhs). Also refer note 14(B) [9] and [10] below.

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs which is reduced to ₹ Nil by March 31, 2022 (March 31, 2021: ₹ 21,000 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2021: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021:₹ 15,829.96 lakhs). Also refer note 14(B) [9] and [10] below.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

[3] Indian rupee packing credit loan from a bank of ₹ 3,000 lakhs (March 31, 2021: ₹ 3,000) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2021: MCLR) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021:₹ 873.87 lakhs). Also refer note 14(B) [9] and [10] below.

[4] Indian rupee packing credit loan from a bank of ₹ 7,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @3 months MCLR for Indian rupee packing credit loan and 6 months SOFR for foreign currency packing credit loan (March 31, 2021: Nil). Another Indian rupee packing credit loan from a bank of ₹ 6,000 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @ 6 months MCLR (March 31, 2021: Nil). Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ 1,500.00 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ Nil). Also refer note 14(B) [9] and [10] below.

[5] Bill discounting from a bank of ₹ 3,000 lakhs (March 31, 2021: ₹ 4,000 lakhs) carries interest @LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and @ MCLR plus 0.75% for Indian Rupee bills discounting (March 31, 2021: Same as in the year FY 2021-22) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 2,868.15 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ 1,073.12 lakhs). Also refer note 14(B) [9] and [10] below.

[6] Bill discounting from a bank of ₹ 10,850 lakhs which is reduced to ₹ nil by March 31, 2022 (March 31, 2021: ₹ 10,850 lakhs) carries interest @6 months LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2021: Same as in the year FY 2021-22) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 4,753.37 lakhs). Also refer note 14(B) [9] and [10] below.

[7] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2021: ₹ 2,000 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') for Indian Rupee bills discounting (March 31, 2021: @MCLR for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 453.45 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ 1,384.07). Also refer note 14(B) [9] and [10] below.

[8] Bill discounting from a bank of ₹ 1,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @3 months MCLR for Indian rupee bill discounting loan and @6 months SOFR for foreign currency bill discounting loan (March 31, 2021: Nil). Another bill discounting from a bank of ₹ 2,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @6 months MCLR for Indian rupee bill discounting loan and 6 months SOFR for foreign currency bill discounting loan (March 31, 2021: Nil). Interest on the above loans is payable on transaction basis. These loans are secured by pari passu charge on (i) current assets of the Company; and (ii) Fixed assets of the Company. Out of the above, ₹ 780.68 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ Nil). Also refer note 14(B) [9] and [10] below.

[9] Bank overdraft from banks of ₹ 2,500 lakhs (March 31, 2021: ₹ Nil) carries interest linked to @6 month MCLR plus applicable spreads ranging from 0.75% to 2.50% p.a. (March 31, 2021: Not applicable). Another bank overdraft of ₹ Nil (March 31, 2021: ₹ 2,800 lakhs) carries interest linked to @one year MCLR plus applicable spreads of 2.50% p.a. (March 31, 2021: same as in the FY2021-22). Interest on the above loans is payable on monthly basis.

These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 2,446.81 lakhs). Also refer note 14(B) [10] below.

[10] The Company has further provided the following as the collateral to the Multiple Banking Arrangement (MBA) lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 14(B).

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company and its subsidiary,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

[11] The Company has availed the interest subvention during the years ended March 31, 2022 and March 31, 2021 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

[12] Repayment of current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of current borrowings and interest there on.

[13] Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

15 LEASE LIABILITIES

	March 31, 2022	March 31, 2021
Non current		
Lease Liabilities	10,315.19	8,555.17
	10,315.19	**8,555.17**
Current		
Lease Liabilities	2,682.17	2,773.56
	2,682.17	**2,773.56**
Total Lease Liabilities (Current + Non-current)	**12,997.36**	**11,328.73**

Refer Note 34 for maturity profile and other details.

16 PROVISION FOR EMPLOYEE BENEFITS

	March 31, 2022	March 31, 2021
(a) Non-current		
Gratuity	668.33	527.00
Total Provision for employee benefits - non-current (A)	**668.33**	**527.00**
(b) Current		
Gratuity	2,365.48	1,924.60
Leave benefits	1,358.26	861.26
Total Provision for employee benefits - current (B)	**3,723.74**	**2,785.86**

17 FINANCIAL LIABILITIES - TRADE PAYABLES

	March 31, 2022	March 31, 2021
Current		
Total outstanding dues of micro, small and medium enterprises	94.75	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises	11,689.58	8,545.40
Total Financial liabilities - Trade payables	**11,784.33**	**8,597.11**

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.
- For explanations on the Company's credit risk management processes, refer note 40.

Aging of trade payables:

There are no disputed trade payables as at and for the years ended March 31, 2022 and March 31, 2021.

Below is the list of undisputed trade payables outstanding for following periods from the due date.

March 31, 2022:

Periods	MSME	Others
Less than 1 year	94.75	11,468.74
1 to 2 years	-	220.84
2 to 3 years	-	-
More than 3 years	-	-
Total	**94.75**	**11,689.58**

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

March 31, 2021:

Periods	MSME	Others
Less than 1 year	51.71	8,466.22
1 to 2 years	-	79.18
2 to 3 years	-	-
More than 3 years	-	-
Total	**51.71**	**8,545.40**

18 FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2022	March 31, 2021
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	-	-
Other financial liabilities at amortised cost		
Interest accrued and not due on loans	233.75	100.93
Employee related payables	8,646.78	6,034.40
Accrued expenses*	4,161.57	2,574.59
Liability for capital assets	481.93	270.09
Total financial liabilities - other current financial liabilities	**13,524.03**	**8,980.01**

* Accrued expenses represent amounts accrued for other operational expenses.

19 OTHER CURRENT LIABILITIES

	March 31, 2022	March 31, 2021
Advances received from customers	250.02	144.47
Statutory liabilities payable*	1,054.90	762.47
Total Other current liabilities	**1,304.92**	**906.94**

*Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

20 CURRENT TAX LIABILITY (NET)

	March 31, 2022	March 31, 2021
Current tax liability (net)	-	337.79
Total Other current liabilities	**-**	**337.79**

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

21 REVENUE FROM OPERATIONS

	March 31, 2022	March 31, 2021
(a) Sale of finished goods		
Exports	1,49,112.14	94,173.84
Domestic	17,753.05	20,372.42
	1,66,865.19	**1,14,546.26**
(b) Other operating revenues		
Export incentives and others*	8,813.05	4,712.80
Sale of accessories, fabrics, scrap and others	3,082.74	1,574.70
Job work income	270.59	238.97
	12,166.38	**6,526.47**
Total revenue from operations	**1,79,031.57**	**1,21,072.73**

* Others represents government grant, which is in the form of import duty savings, have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2022 and March 31, 2021.

i. Disaggregation of Revenue from sale of finished goods

The Group has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 33.

Primary Geographic Markets	Sale of finished goods	
(Name of the country)	**March 31, 2022**	**March 31, 2021**
United States of America	1,25,158.31	76,754.26
Canada	5,595.42	3,612.89
Netherlands	11,266.12	1,149.33
United Kingdom	1,355.07	1,344.44
France	1,116.98	1,554.71
China	729.86	1,056.04
Denmark	622.58	1,185.77
Spain	506.02	1,561.73
Japan	320.02	669.51
Germany	122.20	731.94
Other Overseas Countries	2,319.56	4,553.22
India	17,753.05	20,372.42
Total	**1,66,865.19**	**1,14,546.26**

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counterparties, timing of transfer of goods, uncertainty of revenue and cashflows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

ii. Remaining performance Obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

iii. Estimates and assumptions

There are no significant estimates and assumptions.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

iv. Contract balances

	Contract liabilities	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	144.47	188.96
Less: Amount included in contract liabilities that was recognised as revenue during the period	(144.47)	(188.96)
Add: Cash received in advance of performance and not recognised as revenue during the period	250.02	144.47
Balance at the end of the year	**250.02**	**144.47**

22 OTHER INCOME

	March 31, 2022	March 31, 2021
Interest income on:		
Bank deposits	453.74	690.20
Security deposits	139.64	196.22
Income tax refunds	52.54	54.46
Others	-	-
Other non-operating income :		
Net gain on disposal of property, plant and equipment	60.55	61.39
Gain on sale of investments in mutual fund units	85.36	14.32
Fair value gain on Investment in mutual funds	193.83	129.44
Provisions no longer required, written back	62.31	-
Miscellaneous income	20.80	74.93
Total Other income	**1,068.77**	**1,220.96**

23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	March 31, 2022	March 31, 2021
Inventory at the beginning of the year	9,200.50	8,321.11
Add: Purchases	1,04,744.21	57,441.75
	1,13,944.71	**65,762.86**
Less: inventory at the end of the year	(13,674.99)	(9,200.50)
Total cost of raw materials and components consumed	**1,00,269.72**	**56,562.36**

24 PURCHASES OF STOCK-IN-TRADE

	March 31, 2022	March 31, 2021
Purchases of stock-in-trade	1,478.89	-
Total Purchases of stock-in-trade	**1,478.89**	**-**

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25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	March 31, 2022	March 31, 2021
Inventories at the beginning of the year		
Work-in-progress	11,736.31	15,473.90
Finished goods (Readymade garments)	4,347.59	4,551.80
	16,083.90	**20,025.70**
Inventories at the end of the year		
Work-in-progress	17,646.49	11,736.31
Finished goods (Readymade garments)	11,366.43	4,347.59
	29,012.92	**16,083.90**
Total changes in inventories of finished goods and work-in-progress	**(12,929.02)**	**3,941.80**

26 EMPLOYEE BENEFITS EXPENSE

	March 31, 2022	March 31, 2021
Salaries and wages	46,049.36	32,277.23
Contribution to provident and other funds	5,045.55	3,132.16
Share based payment expenses	135.82	520.31
Gratuity expense (net)	1,328.86	722.98
Staff welfare expense	1,317.99	503.70
Total employee benefit expenses	**53,877.58**	**37,156.38**

27 FINANCE COSTS

	March 31, 2022	March 31, 2021
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	1,259.38	1,910.90
on bill discounting and others	410.20	281.75
on lease liabilities	1,376.73	651.70
Bank charges and other borrowing costs*	974.43	601.88
Total finance costs	**4,020.74**	**3,446.23**

* Doesn't include expenses of ₹ 16.80 lakhs as the same is relating to share issue expenses adjusted to security premium account (Refer note 48).

28 DEPRECIATION AND AMORTIZATION EXPENSE

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment	2,989.74	2,582.79
Amortisation of other intangible assets	165.70	162.73
Amortisation on right-of-use assets	2,739.38	2,515.98
Total depreciation and amortisation expense	**5,894.82**	**5,261.50**

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29 OTHER EXPENSES

	March 31, 2022	March 31, 2021
Consumption of stores and spares and other manufacturing expenses	1,907.15	1,302.77
Water, electricity and fuel charges	2,601.20	1,906.57
Clearing, forwarding and freight	3,208.06	1,652.34
Rental charges	1,513.52	1,459.05
Legal and professional fees	1,129.82	745.41
Travelling and conveyance	535.61	364.65
Rates and taxes	237.02	369.41
Insurance	526.69	515.43
Repairs and maintenance		
Plant and machinery	827.30	474.84
Buildings	161.24	186.49
Others	632.46	398.77
Communication costs	170.51	157.54
Payments to auditors [Refer note 29(a)]	34.64	34.03
Sitting fees	58.40	50.40
Corporate social responsibility expenditure [Refer note 29(b)]	46.58	9.05
Provision for doubtful deposits and advances	160.52	-
Irrecoverable balances written off	272.72	84.00
Provision for doubtful debts	8.07	813.77
Miscellaneous expenses	1,085.51	1,379.44
Total other expenses*	**15,117.02**	**11,903.96**

* Doesn't include expenses of ₹ 767.90 lakhs as the same is relating to share issue expenses adjusted to security premium account (Refer note 48).

NOTE 29(A) PAYMENT TO AUDITORS (EXCLUSIVE OF GST)

	March 31, 2022	March 31, 2021
Audit fees (including fees for consolidated financial statements and quaterly limited reviews)	33.00	33.00
Out of pocket expenses	1.64	1.03
Total payment to auditors (exclusive of GST)	**34.64**	**34.03**

NOTE 29(B) CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	March 31, 2022	March 31, 2021
Amount required to be spent by the Company during the year	46.58	-
Amount of expenditure incurred	47.00	-
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-

There is no unspent amount to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

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30 INCOME TAX

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. These companies can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Companies are liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

	March 31, 2022	March 31, 2021
(a) Adjustment of tax relating to earlier periods	(677.07)	7.64
(b) Current tax	1,170.15	685.90
(c) Deferred tax	(498.08)	(680.90)
Total taxes	**(5.00)**	**12.64**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	March 31, 2022	March 31, 2021
Profit/(Loss) after exceptional items and before tax	11,703.13	2,661.80
Applicable tax rates in India	25.168%	34.944%
Computed tax expense	2,945.44	930.14
Tax effect of:		
Exempted income	(4,568.98)	(2,923.60)
Expenses disallowed	3,197.04	3,224.50
Carried forwarded tax losses	(1,578.50)	(1,218.40)
Total current tax expenses	**(5.00)**	**12.64**

The Group has accumulated tax losses which arose in India of ₹ 197.62 lakhs (March 31, 2021:₹ 2,995.39 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2024.

The Company has unabsorbed depreciation of ₹ 40.23 lakhs (March 31, 2021: ₹ 3,593.58 lakhs) that are available for offsetting for indefinite period.

31 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

The following table reflects the data used in the basic and diluted EPS computations

	March 31, 2022	March 31, 2021
Face value of equity shares (₹ per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Group	11,708.13	2,649.16
Weighted average number of equity shares used for computing earning per share (basic)	5,07,30,394	4,28,55,005
Weighted average number of equity shares used for computing earning per share (diluted)	5,28,84,069	4,54,10,985
EPS - basic (₹)	23.08	6.18
EPS - diluted (₹)	22.14	5.83

32 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

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

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

d. Impairment of non-current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions, etc.

e. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to

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these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Contingencies

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

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

g. Defined benefit obligations

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

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

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

Further details about gratuity obligations are given in note 36.

h. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "Changes in inventories of finished goods and work-in-progress" in the statement of profit and loss.

i. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

j. Non current assets held for sale

Non current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

k. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/ RSUs granted. The Company estimates fair value of ESOPs/ RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

l. Revenue from Export incentives

For measurement of income from the export incentives, significant estimates and judgments are made which include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate notified/to be notified by the government authorities.

33 SEGMENT INFORMATION- DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENT'

(a) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses; (b) whose operating results are regularly reviewed by the Group's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Group is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

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(c) Geographic information

The Group mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

	Segment revenue*		Non current assets**	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
India	27,933.31	26,236.26	31,666.83	24,073.87
Rest of world	1,51,098.26	94,836.47	-	-
Total	**1,79,031.57**	**1,21,072.73**	**31,666.83**	**24,073.87**

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2021: Three) customer amounted to ₹ 125,129.35 lakhs (March 31, 2021: ₹ 70,975.61 lakhs), arising from sales of readymade garments.

*Total Revenue from operations by geographical area are based on the geographical location of the client.

**Non-current assets excludes non current financial assets and non current tax assets.

34 COMMITMENTS AND CONTINGENCIES

I. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and nonlease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both. The Group records the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.

The movement in lease liabilities is as follows:

	March 31, 2022	March 31, 2021
Opening balance	11,328.73	5,066.47
Additions	3,716.01	10,054.42
Deletions	(88.99)	(1,435.61)
Finance cost accrued	1,376.73	651.70
Payment of lease liabilities	(3,335.12)	(3,008.25)
Closing balance	**12,997.36**	**11,328.73**

The break-up of current and non-current lease liabilities is as follows

	March 31, 2022	March 31, 2021
Current lease liabilities	2,682.17	2,773.56
Non-current lease liabilities	10,315.19	8,555.17
Total	**12,997.36**	**11,328.73**

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The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

	March 31, 2022	March 31, 2021
Less than one year	4,018.89	3,944.74
One to five years	12,031.26	11,330.08
More than five years	1,345.24	997.14
Total	**17,395.39**	**16,271.96**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases during the year is ₹ 1,513.52 Lakhs (31 March 2021: ₹ 1,459.05 Lakhs).

II. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

	March 31, 2022	March 31, 2021
(a) Performance Bank Guarantees		
Sanctioned	150.00	263.00
Outstanding	150.00	171.68
(b) Outstanding letters of credit		
Sanctioned	6,322.00	4,249.00
Outstanding	3,587.68	3,167.32
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	278.43
(ii) Matters relating to other taxes under dispute	122.54	132.15

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(ii) The Group is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Group's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the consolidated financial statements.

III. Capital and other commitments

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	93.46	937.39
Commitments relating to forward contract- hedge of highly probable forecast sales	1,44,555.43	80,141.46

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35 HEDGING ACTIVITIES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount	Average Strike rate
March 31, 2022	USD	1,850.43	78.12
March 31, 2022	INR	1,44,555.43	
March 31, 2021	USD	1,052.30	76.16
March 31, 2021	INR	80,141.46	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

	March 31, 2022	March 31, 2021
Nominal amount of hedging instrument	1,44,555.43	80,141.46
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	1,377.03	981.01
Liabilities	-	-
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 7
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:

	March 31, 2022	March 31, 2021
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	1,377.03	981.01
For hedges no longer applied	-	-
Total balance	**1,377.03**	**981.01**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The cash flow hedges of the expected future sales during the year ended March 31, 2022 and March 31, 2021 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2022 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ended March 31, 2023.

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Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on :

Cash flow hedge reserve	March 31, 2022	March 31, 2021
Opening balance	981.01	(2,025.77)
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	2,130.54	3,442.13
Less: amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	(1,734.52)	(435.35)
Less: amount reclassified to consolidated statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	396.02	3,006.78
Less: amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**1,377.03**	**981.01**

The Group offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

36 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the consolidated statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit.

(a) Net benefit expenses (recognised in the consolidated statement of profit and loss)

Particulars	March 31, 2022	March 31, 2021
Current service cost	1,174.05	585.76
Net interest cost on defined benefit obligations / (assets)	154.81	137.22
Net benefit expenses	**1,328.86**	**722.98**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2022	March 31, 2021
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(131.97)	5.63
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(180.53)	(171.43)
Actuarial (gain)/loss arising during the year	(312.50)	(165.80)
Return on plan assets (greater)/less than discount rate	0.04	0.11
Actuarial (gain)/ loss recognised in other comprehensive income	(312.46)	(165.69)

(c) Net defined benefit asset / (liability)

Particulars	March 31, 2022	March 31, 2021
Defined benefit obligation	3,061.41	2,477.48
Fair value of plan assets	(27.60)	(25.88)
Plan liability/ (asset)	**3,033.81**	**2,451.60**

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(d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation	2,477.48	2,616.30
Current service cost	1,174.05	585.76
Interest cost on the defined benefit obligation	156.57	138.70
Benefits paid	(434.19)	(697.48)
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(131.97)	5.63
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(180.53)	(171.43)
Closing defined benefit obligation	3,061.41	2,477.48

(e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2022	March 31, 2021
Opening fair value of plan assets	25.88	24.00
Interest income on plan assets	1.76	1.48
Contributions by employer	434.19	697.99
Benefits paid	(434.19)	(697.48)
Return on plan assets (lesser)/greater than discount rate	(0.04)	(0.11)
Closing fair value of plan assets	**27.60**	**25.88**

The Group expects to contribute ₹ 2,365.48 lakhs (March 31, 2021: ₹ 1,924.60 lakhs) towards gratuity fund.

(f) The following benefit payments (undiscounted) are expected in future years:

Particulars	March 31, 2022
March 31, 2023	507.86
March 31, 2024	376.12
March 31, 2025	271.06
March 31, 2026	232.08
March 31, 2027	175.31
March 31, 2028 to March 31, 2032	3,129.52

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2022	March 31, 2021
Investments with insurer	100%	100%

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for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

(h) The principal assumptions used in determining gratuity for the Group's plan is as shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate (in %)	6.93%	6.12%
Salary escalation (in %)	5% to 8%	5% to 8%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.

2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.

3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.

5. Refer note 16 for current and non current classification.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(156.72)	(100.76)
Impact of defined benefit obligation due to 1% decrease in discount rate	173.46	109.57
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	158.32	94.14
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(145.17)	(87.96)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(17.73)	(19.66)
Impact of defined benefit obligation due to 1% decrease in attrition rate	17.53	20.07

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

37 RELATED PARTY TRANSACTIONS

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Sivaramakrishnan Ganapathi, Managing Director
	Mr. Mathew Cyriac (Non Executive Director)
	Ms. Anuradha Sharma (Independent Director)
	Mr. Gautham Madhavan (Non Executive Director)
	Mr. Prabhat Kumar Singh (Director)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Shrithee MS (Company Secretary) (appointed w.e.f November 11, 2020)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019) (resigned w.e.f November 10, 2020)

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b. Summary of transactions during the year with the above related parties are as follows:

	March 31, 2022	March 31, 2021
i) Stock options exercised during the year at face value		
Sathyamurthy A	3.75	-
ii) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Vilayur Ganapathi [1]	687.59	241.48
Sathyamurthy A [2]	173.94	115.63
Prabhat Kumar Singh	65.00	40.00
Shrithee MS	13.53	3.47
Sameer Sudarshan R V	-	7.25
	940.06	**407.83**
[1] Remuneration includes variable pay of ₹ 150 Lakhs pertaining to 2020-21 and paid during the year 2021-22 (March 31, 2021: ₹ Nil).		
[2] Remuneration includes variable pay of ₹ 40 Lakhs pertaining to 2020-21 and paid during the year 2021-22 (March 31, 2021: ₹ 15 Lakhs, pertaining to 2019-20 and paid during the year 2020-21).		
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Richard B. Saldanha	14.40	13.60
Mathew Cyriac	14.40	12.80
Anuradha Sharma	16.80	13.60
Gautham Madhavan	12.80	10.40
	58.40	**50.40**
c) Summary of compensation of key managerial personnel of the Company [1]		
Managerial remuneration	940.06	407.83
Sitting fees	58.40	50.40
Share based payment expenses	72.77	376.98
	1,071.23	**835.21**

c. Summary of outstanding balances with the above related parties are as follows:

	March 31, 2022	March 31, 2021
i) Remuneration payable to Key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	423.37	150.00
Mr. Sathyamurthy A	40.00	40.00
	463.37	**190.00**

[1] As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Group as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

Notes to the consolidated financial statements

for the year ended March 31, 2022

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38 DISCLOSURES OF DUES/PAYMENTS TO MICRO, SMALL AND MEDIUM ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE GROUP

	March 31, 2022	March 31, 2021
i. The principal amount due thereon remaining unpaid as at the year end Interest amount due and remaining unpaid as at the year end	94.75	51.71
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

39 SHARE- BASED PAYMENTS

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Group approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries and directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Group by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Group and provided for the issue of 2,133,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Grouprecognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is ranging from two to three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

Particulars	March 31, 2022	March 31, 2021
Expense arising from equity-settled share based payment transactions	135.82	520.31
	135.82	**520.31**

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for the year ended March 31, 2022

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Movement during the year for ESOP 2010 Plan:

The activity in the ESOP 2010 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2022		March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	5,41,667	78.30	5,41,667	78.30
Granted during the year	-	-	-	-
Exercised during the year	(21,667)	-	-	-
Lapsed during the year	(35,000)	-	-	-
Closing balance	**4,85,000**	**78.30**	**5,41,667**	**78.30**
Exercisable as at year end	4,85,000		4,81,667	

The weighted average share price at the date of exercise of the options during the period is ₹ 231.99 (March 31, 2021 : not applicable).

The weighted average remaining contractual life for the share options outstanding is 4.88 years (March 31, 2021: 5.64 years)

The range of exercise prices for options outstanding at the end of the year was ₹ 60.95 to ₹ 85.96 (March 31, 2021: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:

The activit y in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2022		March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	18,05,000	5.00	20,98,040	5.00
Granted during the year	1,00,000	5.00	-	-
Exercised during the year	(6,35,500)	5.00	(70,000)	5.00
Lapsed during the year	-	5.00	(2,23,040)	5.00
Closing balance	**12,69,500**	**5.00**	**18,05,000**	**5.00**
Exercisable as at year end	11,69,500		15,55,000	

The weighted average share price at the date of exercise of the options during the period is ₹ 193.52 (March 31, 2021 : not applicable).

The weighted average remaining contractual life for the share options outstanding is 4.40 years (March 31, 2021: 5.14 years)

The weighted average fair value of options granted during the year was ₹ 194 (March 31, 2021: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2021: ₹ 5).

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The following table list the inputs to the models used for the ESOP 2010 plan

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under ESOP 2010 during the year ended March 31, 2022 and March 31, 2021.

The following table list the inputs to the models used for the RSU 2018 plan:

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	-	-
Expected volatility (%)	59.00%	-
Risk-free interest rate (%)	5.50% to 7.70%	-
Expected life of share options (years)	6 to 7	-
Weighted average exercise price (₹)	5.00	-
Model used	Black-Scholes Merton (BSM) options pricing model	-

* No options were granted under RSU 2018 during the year ended March 31, 2021.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

40 DISCLOSURES ON FINANCIAL INSTRUMENTS

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in Note 2.2 (b) and Note 2.3 (o) to the consolidated financial statements.

(a) Financial assets and liabilities

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

As at March 31, 2022

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	15,445.66	-	15,445.66
Trade receivables	9,219.38	-	9,219.38
Cash and cash equivalents	1,268.24	-	1,268.24
Other financials assets	4,349.39	-	4,349.39
Foreign exchange forward contracts	-	1,377.03	1,377.03
Total assets	**30,282.67**	**1,377.03**	**31,659.70**
Financial liabilities			

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Particulars	Amortised cost	Fair value through OCI	Total
Lease liabilities	12,997.36	-	12,997.36
Borrowings	6,306.94	-	6,306.94
Trade payables	11,784.33	-	11,784.33
Other financial liabilities	13,524.03	-	13,524.03
Total liabilities	**44,612.66**	**-**	**44,612.66**

As at March 31, 2021

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,681.18	-	3,681.18
Trade receivables	17,983.76	-	17,983.76
Cash and cash equivalents	1,526.19	-	1,526.19
Other financials assets	18,077.47	-	18,077.47
Foreign exchange forward contracts	-	981.01	981.01
Total assets	**41,268.60**	**981.01**	**42,249.61**
Financial liabilities			
Lease liabilities	11,328.73	-	11,328.73
Borrowings	36,521.70	-	36,521.70
Trade payables	8,597.11	-	8,597.11
Other financial liabilities	8,980.01	-	8,980.01
Total liabilities	**65,427.55**	**-**	**65,427.55**

(b) Fair value hierarchy

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

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

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

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

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2022				
Financial assets				
Foreign exchange forward contracts	-	1,377.03	-	1,377.03
March 31, 2021				
Financial liabilities				
Foreign exchange forward contracts	-	981.01	-	981.01

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

Fair value of loans (security deposits) having a carrying amount of ₹ 2,684.95 lakhs as at March 31, 2022 (March 31, 2021: ₹ 2,886.52 lakhs) was ₹ 2,684.95 Lakhs (March 31, 2020: ₹ 2,886.52 lakhs).

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

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

(iv) There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022 and March 31, 2021.

(c) Financial risk management objectives and policies

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

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

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

Market risk

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

(i) Market risk - Interest rate risk

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

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ (decrease) in basis points	Effect on profit before tax
March 31, 2022	50	31.53
March 31, 2021	50	182.61

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from investing activities is not material.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2022 and March 31, 2021, the Group hedged ₹ 144,555.43 lakhs (USD 1,850.43 lakhs) and ₹ 80,141.46 lakhs (USD 1,052.30 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

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The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2022 and March 31, 2021

Particulars	Currency	March 31, 2022	March 31, 2021
Assets			
Trade receivables	USD	43.53	133.55
Trade receivables	EUR	-	4.99
Advance to suppliers	USD	25.25	13.37
Capital advances	USD	0.06	0.57
Capital advances	EUR	-	0.09
Cash and cash equivalents	USD	-	0.95
Liabilities			
Trade payables	USD	7.34	7.26
Liability for capital assets	USD	2.71	1.45
Liability for capital assets	EUR	0.97	-
Advances received from customers	USD	1.10	0.30
Advances received from customers	EUR	0.46	-

Note: All figures are in lakhs

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2022		
USD	5%	218.41
March 31, 2021		
USD	5%	512.75

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2022 and March 31, 2021. The period end balances are not necessarily representative of the average debt outstanding during the period.

Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹31,659.70 lakhs and ₹ 42,249.61 lakhs, as at March 31, 2022 and March 31, 2021 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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

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

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Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

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

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

Particulars	0-1 year	> 1 year	Total
March 31, 2022			
Lease liabilities	2,682.17	10,315.19	12,997.36
Borrowings	6,068.88	238.06	6,306.94
Trade payables	11,784.33	-	11,784.33
Other financial liabilities	13,524.03	-	13,524.03
	34,059.41	**10,553.25**	**44,612.66**
March 31, 2021			
Lease liabilities	2,773.56	8,555.17	11,328.73
Borrowings	34,637.43	1,884.27	36,521.70
Trade payables	8,597.11	-	8,597.11
Other financial liabilities	8,980.01	-	8,980.01
	54,988.11	**10,439.44**	**65,427.55**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Group's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ Nil as on March 31, 2022 and March 31, 2021 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Group's investment in a foreign associate.

41 CAPITAL MANAGEMENT

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

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

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

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

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Particulars	March 31, 2022	March 31, 2021
Borrowings including current maturities	6,306.94	36,521.70
Total debts	**6,306.94**	**36,521.70**
Capital components		
Equity share capital	2,948.85	2,144.78
Other equity	67,868.70	26,861.99
Total capital	**70,817.55**	**29,006.77**
Capital and borrowings	**77,124.49**	**65,528.47**
Gearing ratio (%)	**8.18%**	**55.73%**

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

42 The Group is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Group during financial year ended March 31, 2022. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 The Group assessed the fair value less cost of sale of the investment in an associate held for sale. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Group's investment. The Group has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the year ended March 31, 2019. The Group continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss. Further to related developments during the year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.

44 The Group had filed petition with the Group Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

45 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting Company). Consequently, the Director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Group is confident to receive a favourable order and that there will not be a material impact on the Consolidated Ind AS financial statements of the Company.

46 Under the Remission of Duties and Taxes on Export Products (RoDTEP), the Company is eligible to claim a government grant in the form of refunds of embedded taxes and duties All the items previously under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme The scheme has been effective since January 1, 2021 However, the incentive rates are yet to be notified by the authorities. For the textile/garment industry sector, the RoSCTL scheme was introduced with effect from March 7, 2019. Later, for the textile/garment manufacturing sector, the Government retrospectively withdrew 4% MEIS w.e. f. March 7, 2019 through a notification issued on January 14, 2020.

For the relevant period January 1, 2021 onwards, the Company has recognized ₹ 7.57 Crore of income towards RoDTEP and corresponding receivable which is lower than the rates applicable up to 31st December 2020. Pursuant to the notification of the rates and eligibility, the Company has recognised the RoSCTL income for the period from April 1, 2021 to June 30, 2021 in line with the rates notified and additionally also recognised the balance income to the extent previously not recognised during the year ended March 31, 2021.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

For measurement of income from the aforementioned government grants, significant estimates and judgments are made by the management The estimates, inputs, and judgments used by the management. include eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate expected to be notified by the government authorities, the estimation on the rate involves a high level of uncertainty considering the delay in notification of the rate, the Company has performed sensitivity analysis on the sources of estimation uncertainty and appropriately considered the same while recognizing the income from government grants.

47 The Company is in the process of augmenting its production capacity at cost-efficient locations. The Company intends to carry out the expansion projects under new wholly-owned subsidiary companies to regulate the business in an efficient manner and to be in a better position to service international customers.

In view of the above, during the board meeting held on July 30, 2021, the Company has obtained approval of the board to incorporate two new wholly-owned subsidiary companies. Consequently, "Gokaldasexports Acharpura Private Limited" and "Sri Susamyuta Knits Private Limited" were incorporated on August 28, 2021 and January 14, 2022 respectively.

Further, during the board meeting held on December 07, 2021, the Company has obtained approval of the board to incorporate a new wholly-owned subsidiary company in Dubai, UAE. Consequently, "Gokaldas Exports FZCO" was incorporated on January 10, 2022.

Further, during the board meeting held on December 07, 2021, the Company has obtained approval of the board to enter into an Joint Venture Agreement to make an investment in an overseas Company in Bangladesh to carry out the expansion of manufacturing facility in offshore locations.

48 The Board of Directors, in their meeting held on August 24, 2021, had approved:

(a) To increase the authorised share capital of the Company, from existing ₹ 275,000,000 (Rupees Twenty Seven Crores Fifty Lakhs Only) divided into 55,000,000 (Five Crores Fifty Lakhs Only) equity shares of ₹ 5/- each ("Equity Shares") to ₹ 325,000,000/- (Rupees Thirty Two Crores Fifty Lakhs Only) divided into 65,000,000 (Six Crores Fifty Lakhs Only) Equity Shares of ₹ 5/- each ranking pari-passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company, and consequent to alteration of capital clause V of the Memorandum of Association of the Company.

(b) Raising of funds for an amount aggregating up to ₹ 300 Crores, by way of issuance of any instrument or security including equity shares, fully or partly convertible debentures, non-convertible debenture warrants, any other equity based instruments or securities or any combination thereof in one or more tranches, including by way of a public issue, preferential allotment or a private placement (including one or more Qualified Institutions Placement ("QIP")) in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law, or through any other permissible mode and/or any combination thereof, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, subject to the receipt of necessary approvals, including the approval of the members of the Company and such other regulatory and statutory approvals as maybe required.

In order to give effect to the above, the Board has also constituted and authorized the Fund Raise Committee of the Board to, inter-alia, decide the terms and conditions of the proposed fund raise.

In relation to the above, pursuant to the resolution passed by the Board of Directors of the Company on August 24, 2021 and the resolution passed by the shareholders of the Company on September 17, 2021, the Fund Raise Committee have, on October 07, 2021, issued and allotted 15,424,164 equity shares of ₹ 5 each, at an issue price of ₹ 194.50 per equity share (including ₹ 189.50 per equity share towards securities premium) aggregating to ₹ 300 Crores (rounded off) to Qualified Institutional Buyers under chapter VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and under provisions of all other applicable laws.

49 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the quarter and year ended March 31, 2021 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at March 31, 2021 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Group has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Group has performed sensitivity analysis on the assumptions

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets, the Group has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

50 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

a. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks are in agreement with the books of accounts.

c. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

d. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

f. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

    i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

    ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

    The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

    i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

    ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

h. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

i. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

j. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

51 The statement of audited consolidated financial statements for the year ended March 31, 2022 have been reviewed by the Audit Committee in their meeting on April 29, 2022 and approved by the Board of Directors in their meeting held on April 29, 2022.

52 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

53 Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's classification.

As per our report of even date

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

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

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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of Directors
DIN: 00189029
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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

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

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
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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) hypothecation 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

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.	SOCIETE GENERALE - ODI	0.39
2.	GOLDMAN SACHS (SINGAPORE) PTE. - ODI	0.15
3.	NIPPONLIFE INDIATRUSTEE LTD AC NIPPON INDIA SMALLCAP FUND	7.58
4.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS INDIA EQUITY PORTFOLIO	5.46
5.	AURIGIN MASTER FUND LIMITED	0.07
6.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	1.20
7.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	1.60
8.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	0.20
9.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	0.17
10.	CUSTODY BANK OF JAPAN, LTD. RE: RB AMUNDI	2.43
11.	TATA AIG GENERAL INSURANCE COMPANY LIMITED	1.05
12.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	1.96
13.	FIDELITY KOREA - INDIA EQUITY INVESTMENT TRUST - MOTHER	0.09
14.	FIDELITY FUNDS - INDIA FOCUS FUND	2.11
15.	FIDELITY INDIA FUND	0.15
16.	ASTORNE CAPITAL VCC - ARVEN	0.05

^Based on beneficiary position as on April 19, 2024

#The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in cases of Mutual Funds and Insurance Companies, wherein their respective DP ID & Client ID have been considered.

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 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 Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

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Sivaramakrishnan Ganapathi
Managing Director

Place: Bengaluru
Date: April 23, 2024

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 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 dated April 18, 2024, 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: Bengaluru
Date: April 23, 2024

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

Gourish Hegde, Company Secretary and Compliance Officer
No. 25, Second Cross, Third Main,
Industrial Suburb,
Yeshwantpur, Bengaluru – 560 022
Karnataka, India
Tel: +91 – 80 – 68951000
Email: info@gokaldasexports.com

BOOK RUNNING LEAD MANAGER

IIFL Securities Limited
24th floor, One Lodha Place, Senapati Bapat Marg,
Lower Parel (West), Mumbai 400 013

DOMESTIC LEGAL COUNSEL TO ISSUE

J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza
Hudco Place, August Kranti Marg
New Delhi – 110049, India

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

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Note: The format of the Sample Application Form included herein below is for reference, indicative and for the purposes of compliance with applicable law only, and no Bids in this Issue should have been made through the sample Application Form. The Company, in consultation with the Book Running Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should have been made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form, and not on the basis of the indicative format below.)

gokaldas exports ltd. (*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 – 560 022 Karnataka, India. **Telephone: +91-80-68951000 | Facsimile: +91-80-68951001 | E-mail address:** info@gokaldasexports.com| **Website:** www.gokaldasexports.com **CIN:** L18101KA2004PLC033475	**SAMPLE APPLICATION FORM** 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 APPROXIMATELY ₹ [•] 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 AND SECTION 62 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 ₹ 789.99 AND OUR COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE, AS APPROVED BY THE 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; (b) 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 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 U.S. state securities laws. The Equity Shares offered in the Issue 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") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling restrictions contained in the section entitled "*Selling Restrictions*" in the accompanying preliminary placement document dated April 18, 2024 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA 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. PURSUANT TO 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 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. 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. 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 – 560 022 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. 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 promoter 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 a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. 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	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 IIFL Securities Limited (the "**BRLM**"), in its 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, the Placement Document (when issued) and the confirmation of allocation note ("**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 the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as the 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 (when issued), 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 agree and consent 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 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*", "*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, warranties, acknowledgements and agreements in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree with the Company and the BRLM 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 (when issued), this Application Form, the 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 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 U.S. state securities laws and that the Equity Shares are only being offered and sold only outside the United States in in "offshore transactions" as defined in and in reliance on Regulation S; (10) we are located outside the United States (as defined in Regulation S) and we are not submitting this Application Form as a result of any "directed selling" efforts (as defined in Regulation S); (11) no action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction, (12) we 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; and (13) we and any managed accounts for which we are seeking to subscribe for the Equity Shares (i) acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and that we and them are each able to bear the economic risk an investment in the Equity Shares, (ii) will not look to the Company and/or the BRLM or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates for all or part of losses that may be suffered in connection with this Issue, including losses arising out of non-performance by the Company; (iii) have no need for liquidity with respect to the investment in the Equity Shares, and (iv) are seeking to subscribe to the Equity Shares in the Issue for investment purposes and not with a view to resell or distribute such Equity Shares and we have no reason to anticipate any change in our or their circumstances or any accounts for which we are seeking to subscribe which may cause or require any sale by us or them of all or any part of 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.

BIDDER DETAILS (in Block Letters)				
NAME OF BIDDER*				
NATIONALITY				
REGISTERED ADDRESS				
CITY AND CODE				
COUNTRY				
MOBILE NO.				
TELEPHONE NO.		**FAX.**		
EMAIL				
FOR ELIGIBLE FPIs**	**Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs**	**Registration Number:**	

**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.*

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 3.00 P.M. (IST), [●], 2024, [●]	
Name of the Account	*Gokaldas Exports Limited – Escrow A/C 2024*
Name of the Bank	*RBL Bank Limited*
Legal Entity Identifier Code	*335800EI4T29Z2KFOF66*
Address of the Branch of the Bank	*Prestige Towers, Mazzine Floor, 99 & 100 Residency Road, Bangalore – 560 025*
Account Type	*Escrow Account*
Account Number	*409650253961*
IFSC	*RATN0000156*
Tel No.	*7899411444*
E-mail	*Jayan.K@rblbank.com, subbarama.vishnubhotla@rblbank.com*

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 – Escrow A/C 2024*". 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		**PRICEPER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)	(In words)		

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally) **	

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
- ☐ 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) The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.

This Application Form, the PPD and the Placement Document (when issued) 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.

(Remainder of the page is intentionally left blank)