Placement Document
Not for Circulation and Strictly Confidential
Serial Number: _____

HIMATSINGKA SEIDE LIMITED

Our Company was incorporated on January 23, 1985 as a public limited company under the Companies Act, 1956, as amended. The Equity Shares of our Company were listed on NSE on February 8, 1995 and on the BSE on January 20, 1987. For further details, see "*General Information*" on page 486.

Registered and Corporate Office: 4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, India
Tel: +91 804257 8000 | **Contact Person**: Bindu D, Company Secretary and Compliance Officer | **Email:** investors@himatsingka.com
Website: www.himatsingka.com | **CIN**: L17112KA1985PLC006647

Our Company is issuing 2,72,85,129 equity shares of face value of ₹5 each (the "**Equity Shares**") at a price of ₹146.60 per Equity Share (the "**Issue Price**"), including a premium of ₹141.60 per Equity Share, aggregating to ₹39,999.99 lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 35.

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") AND 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 RULES FRAMED THEREUNDER, EACH AS AMENDED.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. 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 TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (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 THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, AS AMENDED, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE 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 44 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 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.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the Equity Shares on BSE and NSE as on October 28, 2024, was ₹162.30 and ₹ 162.33 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE, each on October 24, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. 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 be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

A copy of the Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter), has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Karnataka at Bengaluru ("**RoC**") within the stipulated period as required under the Companies Act, 2013 (as defined hereinafter) and the PAS Rules (as defined above). The Preliminary Placement Document and this Placement Document have not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs (as defined hereinafter). The Preliminary Placement Document and this Placement Document have not been and shall not be filed as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document, together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined herein). For further details, see "*Issue Procedure*" on page 437. This Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent 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 prospective investor, 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 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 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 jurisdiction where those offers and sales are made. See "*Selling Restrictions*" on page 453 for information about eligible offerees for the Issue and "*Transfer Restrictions*" on page 461 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on the website of our Company, any website directly or indirectly linked to website of our Company or on the respective websites of the Book Running Lead Managers (as defined hereinafter) or of their respective affiliates does not form part of this Placement Document and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Placement Document is dated October 29, 2024.

BOOK RUNNING LEAD MANAGERS	
AXIS CAPITAL LIMITED	**SBI CAPITAL MARKETS LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and its Subsidiaries, and the Equity Shares, which 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 all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company and its Subsidiaries, and the Equity Shares are honestly held, have been arrived at at after considering all relevant circumstances and are based on reasonable assumptions and information presently available with our Company. There are no other facts in relation to our Company and 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, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor Axis Capital Limited and SBI Capital Markets Limited (the "**Book Running Lead Managers or BRLMs**") have any obligation to update such information to a later date.

The Book Running Lead Managers have made reasonable enquiries but have 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 Managers, nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Issue of the Equity Shares or their distribution.

Each person receiving this Placement Document acknowledges that such person has not relied on any of the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates 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 our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

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, or by or on behalf of the Book Running Lead Managers. 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 to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non-United States regulatory authority. 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 offense in the United States and may be a criminal offence in other jurisdictions.

Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 453 and 461 respectively of this Placement Document.

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 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 with reliance on Regulation S of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. See "*Selling Restrictions*" on page 453 for information about eligible offerees for the Issue and "*Transfer Restrictions*" on page 461 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information contained in this Placement Document has been provided by our Company and from other sources identified herein. This Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorized and prohibited. Each prospective investor, 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. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. 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 taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document, nor any offering material 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. For further details, see "*Selling Restrictions*" on page 453.

In making an investment decision, the prospective investors must rely on their own examination of our Company and its Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, tax, accounting or investment advice. The prospective investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, purchaser, offeree or subscriber of the Equity Shares is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in the securities including the Equity Shares or otherwise accessing the capital markets in India.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. This Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents. Further, this Placement Document has been prepared for information purposes in relation to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Each subscriber of the Equity Shares also acknowledges that it has been afforded an opportunity to request from our Company and review information pertaining to our Company and the Equity Shares.

Our Company does not undertake to update this Placement Document to reflect subsequent events after the date of this Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with our Company. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Company since the date hereof.

Our Company and the Book Running Lead Managers 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. The information on our Company's website, www.himatsingka.com, any website directly and indirectly linked to the website of our Company or on the website of SEBI or the Stock Exchanges or on the respective websites of the Book Running Lead Managers and of their affiliates, other than this Placement Document shall not constitute nor form part of this Placement Document and no investment decision should be made on the basis of such information. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on page 453 and 461, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding (hereinafter defined) and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, 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 which is not set forth in the Preliminary Placement Document and 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 (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

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

4. If you are not a resident of India and an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in the Preliminary Placement Document and this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets. Further, since FVCIs are not permitted to participate in the Issue, you confirm that you are not a FVCI under the SEBI FVCI Regulation. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

5. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated or in a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, and Rule 6 of the FEMA Rules;;

6. You will make all necessary filings with appropriate regulatory authorities as required pursuant to applicable laws;

7. 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 50% 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;

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

9. If you are Allotted (defined hereinafter) Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchanges. Please note additional requirements apply if you are in certain other jurisdictions and in accordance with any other resale restrictions applicable to you. For further details in this regard, see "*Selling Restrictions*" and "*Transfer Restrictions*" on page 453 and 461, respectively;

10. You are aware that the Preliminary Placement Document and this Placement Document has not been filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Placement Document has not been reviewed, verified or affirmed by SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is 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 our Company and the Stock Exchanges;

11. 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 authorisations, as may be required and complied with and shall comply with all necessary formalities to enable you to participate in the 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 authorizations to agree to the terms set out or referred to in this Placement Document), and will honor such obligations;

12. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the 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 Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

13. All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward looking statements, which speak only as of the date of this Placement Document. Neither our Company, nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward looking statements contained in this Placement Document;

14. 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, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

15. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 453 and 461, respectively;

16. 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 44;

17. 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 and will continue to make 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 contained in 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, its Subsidiaries and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

18. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the 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 Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

19. You are a sophisticated investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company,

whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

20. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and 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;

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

22. 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 our 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);

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

24. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% 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% 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 Eligible QIB; and

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

25. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers 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;

26. 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;

27. You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation (defined hereinafter), our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

28. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

29. You acknowledge that the Preliminary Placement Document and this Placement Document do not not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

30. 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% of the Equity Shares in this Issue, our 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 our Company;

31. You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set

out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

32. The contents of this Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting participation in the 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 Managers or our Company or any other person and neither the Book Running Lead Managers nor our 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 Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

33. You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and other distributions declared;

34. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

35. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

36. 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 Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

37. You confirm that either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our 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 Managers may not have the knowledge of the statements that our 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 Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

38. You understand that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act.

39. You are outside the United States and are purchasing the Equity Shares in an ‘offshore transaction’ within the meaning of Regulation S and in compliance with laws of all jurisdictions applicable to you and are not our Company’s or the Book Running Lead Manager’s affiliate or a person acting on behalf of such an affiliate;

40. You are not acquiring or subscribing for the Equity Shares as a result of any “general solicitation” or “general advertising” (as those terms are defined in Regulation D under the U.S. Securities Act) or “directed selling efforts” (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under “*Selling Restrictions*” and “*Transfer Restrictions*” on pages 453 and 461, respectively;

41. 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 the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees 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;

42. Our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees 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 Managers on their own behalf and on behalf of our Company, and are irrevocable;

43. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Bengaluru, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Placement Document and this Placement Document;

44. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations; and

45. You have no right to withdraw your Application Form (as defined hereinafter) or revise your Bid (as defined hereinafter) downwards after the Issue Closing Date (as defined hereinafter).

46. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;

47. Your decision to subscribe to the Equity Shares to be issued pursuant to this Issue has not been made on the basis of any information, which is not set forth in this Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**") FPIs, including the affiliates of the Book Running Lead Managers, who are registered as Category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a 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. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. 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.

For further details relating to investment limits of FPIs, please see the section entitled "*Issue Procedure*" on page 437. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to 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.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its 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. 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 above mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, 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 BRLMs 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 BRLMs 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 BRLMs and does not constitute any obligations of or claims on the BRLMs.

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

contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations. For further information, see "*Selling Restrictions*" on page 453.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

Disclaimer clause of the Stock Exchanges

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; and

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires 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

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the 'Company', 'we', 'us', 'our' or the 'Issuer' are to Himatsingka Seide Limited together with its Subsidiaries on a consolidated basis.

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.

In this Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India, and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States, and all references to 'EURO' are to the legal currency of the European Union. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or the 'U.S.' or the 'United States' or the 'USA' are to the United States of America and its territories and possessions. All references herein to 'EU' are to the European Union and its territories and possessions.

Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, 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 and references to a particular 'year' are to the calendar year ending on December 31 of that year.

In this Placement Document, unless the context requires otherwise or unless stated otherwise, all financial information for the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022 is derived from the Unaudited Consolidated Financial Results, Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements.

Further, we have included Unaudited Consolidated Financial Results for the three months ended June 30, 2023 have been 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.

There are significant differences between Ind AS, U.S. GAAP and IFRS. The financial information included in this Placement Document comprise of our Audited Consolidated Financial Statements for Fiscals 2024, 2023 and 2022. The Unaudited Consolidated Financial Results for three months ended June 30, 2024 have been 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. The financial information for the three months ended June 30, 2024 is not indicative of future operating performance and are not comparable with annual financial information presented.

For Fiscal 2024, Fiscal 2023 and Fiscal 2022 and the three month period ended June 30, 2024, our financials are prepared in lakhs and have been presented in this Placement Document in lakhs. In this Placement Document, references to "lakh(s)" represent "1,00,000", "million" represents "10 lakhs" or "10,00,000", "crore(s)" represents "1,00,00,000"or "10 million" or "100 lakhs", and "billion" represents "1,00,00,00,000" or "1,000 million" or "100 crore". Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

INDUSTRY AND MARKET DATA

The statistical information, industry and market data, information regarding our position in the market, growth rates and other industry data pertaining to our business included in this Placement Document relating to the industry in which we operate has been derived from the report "*Textiles Industry in India*" dated October 24, 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL**"), and commissioned by us. Further, CRISIL has issued the following disclaimer in the CRISIL Report:

CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India.

This data 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. Neither we nor the Book Running Lead Managers have independently verified this data and do not make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Book Running Lead Managers can assure potential investors as to their accuracy. The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factor – Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on page 68. Thus, neither our Company nor the Book Running Lead Managers can assure you of the correctness, accuracy and completeness of such data. 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. Accordingly, investment decisions should not be based solely on such information.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute forward looking statements. The prospective investors can generally identify forward looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘goal’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘seek to’, ‘should’, ‘will’, ‘will continue’, ‘will pursue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Our dependency on customers located in other geographies and primarily in North America and any adverse developments in North America or such other geographies
- Any loss or reduction of business from our top customers
- Changing consumer preferences, purchasing behaviour and trends pertaining to the home textile industry
- Increase in our raw material costs, or other input costs, or any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials
- Timely and effective functioning of our manufacturing plants
- Ability to compete with our competitors in terms of wider product portfolio, brand recognition and marketing or ability to effectively manage our growing distribution and sales network
- Public perception of the products sold by our customers

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 44, 359, 306 and 332, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the Book Running Lead Managers’ will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchange.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All the Directors, Key Managerial Personnel and Senior Management Personnel of our Company named herein are resident citizens of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

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.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of 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 penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

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

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the 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 Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD) and Euro (in ₹ per EUR). The exchange rates are based on the reference rates released by the RBI/ FBIL/ Exchangerates.org.uk, which are available on the website of the RBI/ FBIL/Exchangerates.org.uk. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars and Euros at any particular rate, the rates stated below, or at all.

1. USD

(₹ per USD)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal*				
2024	83.38	82.79	83.60	81.69
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
Month ended*				
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.72
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.29	83.49	83.52	83.08
April 30, 2024	83.52	83.41	83.52	82.23

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period; and
(4) Minimum of the official rate for each working day of the relevant period.

Notes:
* *If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

2. EURO

(₹ per EUR)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal*				
2024	90.22	89.80	92.45	87.06
2023	89.61	83.72	90.26	78.34
2022	84.66	86.56	90.51	83.48
Month ended*				
September 30, 2024	93.53	93.06	93.53	92.54
August 31, 2024	90.90	92.41	93.76	90.46
July 31, 2024	90.62	90.59	91.43	89.64
June 30, 2024	89.25	89.89	91.02	89.25
May 31, 2024	90.12	90.10	90.83	89.48
April 30, 2024	89.34	89.44	90.49	88.56

(Source: www.rbi.org.in and www.fbil.org.in)
(1) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;*
(2) *Average of the official rate for each working day of the relevant period;*
(3) *Maximum of the official rate for each working day of the relevant period; and*
(4) *Minimum of the official rate for each working day of the relevant period*

Notes:
* *If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

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 agreement, document, statute, rules, guidelines, 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, 2013 the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections titled "Taxation", "Industry Overview", "Financial Statements" and "Legal Proceedings" on pages 470, 359, 95 and 477 respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Himatsingka Seide Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at 4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, India
"we" or "us" or "our" or "group"	Unless the context otherwise indicates or implies, refers to our Company and, its Subsidiaries, on a consolidated basis. For the purpose of financial information, "we" or "us" or "our" or "group" would mean our Company and its Subsidiaries as at or during the relevant period/ fiscal.

Company Related Terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	Articles of association of our Company, as amended
Associates	AMP Energy C&I Twenty Four Private Limited
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, and as described in "*Board of Directors and Senior Management Personnel*" on page 414
Audited Consolidated Financial Statements	Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company or any duly constituted committee thereof
"CRISIL"	CRISIL Market Intelligence & Analytics, (MI&A), a division of CRISIL Limited
"CRISIL Report"	"*Textiles Industry in India"* dated October 24, 2024, which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL
"CSR Committee"	Corporate social responsibility committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, as described in "*Board of Directors and Senior Management Personnel*" on page 414
Directors	The directors on the Board of our Company
Equity Shares	Equity shares of our Company of face value of ₹5 each
Fiscal 2024 Audited Consolidated Financial Statements	The audited consolidated financial statements, including other comprehensive income of the Company and its Subsidiaries for Fiscal 2024 comprising the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss, the consolidated statement of cash flow and the consolidated statement of changes in equity for the year ended March 31, 2024 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS
Fiscal 2023 Audited Consolidated Financial Statements	The audited consolidated financial statements, including other comprehensive income of the Company and its Subsidiaries for Fiscal 2023 comprising the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss, the consolidated statement of cash flow and the consolidated statement of changes in equity for the year ended March 31, 2023 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS
Fiscal 2022 Audited Consolidated Financial Statements	The audited consolidated financial statements including other comprehensive income of the Company and its Subsidiaries for Fiscal 2022 comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss, the consolidated statement of cash flow and the consolidated statement of changes in equity for the year ended March 31, 2022 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Ind AS

Term	Description
Independent Director(s)	A non-executive, independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For details, see "*Board of Directors and Senior Management Personnel*" on page 414
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and the Companies Act, 2013 as disclosed in "*Board of Directors and Senior Management Personnel*" on page 414
Material Subsidiaries	Himatsingka Holdings NA Inc and Himatsingka America Inc
"Memorandum" or "Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, being ₹ 37,759.99 lakhs
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, as described in "*Board of Directors and Senior Management Personnel*" on page 414
Non-Executive Director	A non-executive, non-independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For details, see "*Board of Directors and Senior Management Personnel*" on page 414
Promoters	Our Promoters, namely Dinesh Kumar Himatsingka, Shrikant Himatsingka, Rajshree Himatsingka, Bihar Mercantile Union Private Limited, Awdhan Trading Company Limited, Orient Silk Private Limited, Aditya Resources Limited, Priya Resources Private Limited and Priyadarshini Himatsingka.
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
"Registrar of Companies" or "RoC"	Registrar of Companies, Karnataka at Bengaluru
Registered and Corporate Office	4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, India
Risk Management Committee	The risk management committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Board of Directors and Senior Management*" on page 414
Senior Management Personnel	Key Managerial Personnel and senior management of our Company in terms of the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as described in "*Board of Directors and Senior Management Personnel*" on page 414
Shareholders	Shareholders of our Company
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Board of Directors and Senior Management Personnel*" on page 414
Statutory Auditors	M/s MSKA & Auditors, Chartered Accountants, appointed pursuant to a resolution of our Shareholders dated September 28, 2022
Subsidiaries	Himatsingka Wovens Private Limited, Himatsingka Holdings NA Inc and Himatsingka America Inc
Unaudited Consolidated Financial Results	The unaudited consolidated financial results of the Company and its Subsidiaries for the quarter ended June 30, 2024 prepared in accordance with the SEBI Listing Regulations and the Companies Act, 2013.

Issue Related Terms

Term	Description
"Allocated" or "Allocation"	Allocation of Equity Shares, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
"Allotment" or "Allotted"	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares of our Company are issued pursuant to the Issue
Application Form	Form (including any revisions thereof) which was submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of an Eligible QIB's interest including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof
Bidder(s)	Any prospective investor, being an Eligible QIB, who has made a Bid pursuant to the terms of this Placement Document and the Application Form
"Book Running Lead Managers" or "BRLMs" or "Lead Managers"	Collectively Axis Capital Limited and SBI Capital Markets Limited
BSE	BSE Limited
"CAN" or "Confirmation of Allocation Note"	Note, advice or intimation confirming the Allocation of Equity Shares to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue was made, i.e., on or about October 29, 2024
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees

Term	Description
Eligible FPIs	FPIs under FEMA, the SEBI FPI Regulations and any other applicable law that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations. In relation to the Issue, this term shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs. However, FVCIs are not permitted to participate in the Issue.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheque or overdraft facilities, opened with the Escrow Bank, subject to the terms of the Escrow Agreement
Escrow Bank	HDFC Bank Limited
Escrow Agreement	Agreement dated October 22, 2024, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Bid Amount and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	Floor price of ₹154.31, for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company offered a discount of 5% amounting to ₹7.71 per Equity Share on the Floor Price in accordance with the special resolution of our Shareholders passed by way of a postal ballot dated March 1, 2024, the results of which were declared on March 4, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Independent Chartered Accountant	Manian & Rao, Chartered Accountants
Independent Chartered Engineer	G. Shankar Rao
Issue	The offer, issue and Allotment of 2,72,85,129 of the Equity Shares each at a price of ₹146.60 per Equity Share, including a premium of ₹141.60 per Equity Share, aggregating up to ₹39,999.99 lakhs to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	October 29, 2024, the date after which our Company (or Book Running Lead Managers on behalf of our Company) ceased acceptance of Application Forms and the Bid Amount
Issue Opening Date	October 24, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) commenced acceptance of the Application Forms and the Bid Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount
Issue Price	A price per Equity Share of ₹ 146.60
Issue Size	The Issue of 2,72,85,129 Equity Shares aggregating to ₹39,999.99 lakhs
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated October 24, 2024, entered into by and amongst our Company and the Monitoring Agency.
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
NSE	National Stock Exchange of India Limited
Placement Agreement	Placement agreement dated October 24, 2024, entered into by and among our Company and the Book Running Lead Managers
Placement Document	Placement document issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document along with the Application Form, dated October 24, 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
"QIB" or "Qualified Institutional Buyer"	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, 2013 read with the applicable rules 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
Refund Intimation	The intimation from the Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	October 24, 2024 which is the date of the meeting in which the Securities Committee decided to open the Issue
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and who are Allocated Equity Shares in the Issue
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 authorized or obligated by law to remain closed in Mumbai, India.

Business and Industry Related Terms

Term	Description
AAEC	Appreciable Adverse Effect on Competition
AQL	Acceptable Quality Level Standard
Bath Products	Core towels, fashion towels, beach towels, kitchen towels, cleaning towels, seasonal towels, bath robes and accessories

Bedding Products	Core bedding, fashion bedding, utility bedding, comfort bedding and seasonal bedding
BSCI	Business Social Compliance Initiative
CDR	Pad-steam dyeing is a process of continuous dyeing in which the fabric in open width is padded with dyestuff and then steamed.
Cotton Spinning Plant	Our cotton spinning plant situated at Hassan, Karnataka, India
Cotton Yarn Products	Cotton Yarn Products refer to coarse count yarn, medium count yarn, fine count yarn, ultra fine count yarn
CTS	Cone transporting system
DNA Tagging Technology	A DNA tagging technology which uses invisible molecular markers to test the cotton for purity throughout the production process repeatedly
Drapery and Upholstery Plant	Our drapery and upholstery plant situated at Doddaballapur, Karnataka, India
Drapery and Upholstery Products	Drapery products refer to fabric used for window treatments for adding beauty, privacy and insulation. Upholstery products refer to fabric used for the covering of furniture for enhancing comfort and style.
EHS	Environment, Health and Safety
EMEA	Europe, Middle East and Africa
EU	European Union
ESG	Environmental, Social and Governance
FFI	Finished Fabric Inspection
GDPR	General Data Protection Regulation
GHG emission	Green house gas emission
GRS	Global Recycled Standard
GSM	Grams Per Square Metre
HIGGs	Self-assessment standard for assessing environmental and social sustainability throughout the supply chain
ISO	International Organization for Standardization
MBO	Multi brand outlet i.e. selling more than one brand,
MLD	Million liters per day
MMPA	Million meters per annum
MW	Megawatt
NAPS	National Apprenticeship Promotion Scheme
Ne	Ne refers to the measure of fineness of the yarn, an indirect method of expressing the size of a cotton yarn. It is the number of times the length of one pound of yarn can be divided by 840.
OCS	Organic Content Standard
PESO	Petroleum and Explosives Safety Organization
RCS	Recycled Claim Standard
R&D	Research and development
Spindles	Spindles refer to the components used in spinning processes for holding the fibers or yarns and are critical in producing high-quality threads for textile production.
Spinning	Spinning refers to a process of transforming fibers into yarn through techniques like ring spinning and open-end spinning
STeP	Sustainable Textile Production Certified
Sheeting Plant	Our sheeting plant situated at Hassan, Karnataka, India
Sewing	Sewing is the final step in the product manufacturing process, stitching fabric pieces into finished bed and bath products
Weaving	Weaving is the process where the warp yarns (vertical yarns) interlace with weft yarns (horizontal yarns) on a weaving machine (called a loom) to form a greige fabric. This greige fabric is ready for processing after the weaving process.
Terry Towel Plant	Our terry towel plant situated at Hassan, Karnataka, India
TPA	Tonnes per annum
ZDHC	Zero discharge of hazardous chemicals

Conventional and General Terms/ Abbreviations

Term	Description
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
APAC	Asia Pacific
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996

Term	Description
Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDA Margin (%)	EBITDA divided by total income
EGM	Extraordinary general meeting
EPS	Earnings per share
EU	European Union
EUR	Euro
FBIL	Financial Benchmarks India Private Limited
FCCB	Foreign Currency Convertible Bond
FDI	Foreign direct investment
FDI Policy	Consolidated FDI policy issued by the Department for Promotion of Industry and Internal Trade Ministry of Commerce and Industry, Government of India, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999 and the regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal Year(s)" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI thereunder
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GBP	Great British Pound
GDP	Gross domestic product
GoI or Government or Central Government	Government of India, unless otherwise specified
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
Ind AS	Indian accounting standards as per Companies (Indian Accounting Standards) Rule 2015, notified by the MCA under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013
"INR" or "Rupees" or "₹" or "Indian Rupees" or "Rs."	Indian Rupees
MCA	The Ministry of Corporate Affairs, Government of India
MD	Managing director
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SEC	United States Securities and Exchange Commission
SFA	The Securities and Futures Act Chapter 289 of Singapore
Stock Exchanges	BSE and NSE
Total Borrowings	Total borrowings includes current borrowings and non-current borrowings
UK	United Kingdom
"U.S.$" or "U.S. dollar" or "USD"	United States Dollar, the legal currency of the United States of America

Term	Description
"USA" or "U.S." or "United States"	The United States of America
U.S GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933
VCF	Venture capital fund
Y-o-Y	Year-over-Year

SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our strengths and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 13 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition" on pages 44 and 334, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information for the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022 included herein is based on and derived from the Unaudited Consolidated Financial Results and the Audited Consolidated Financial Statements included in this Placement Document. For further information, see "Financial Statements" on page 95. Our fiscal year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

Unless stated otherwise, statistical information, industry and market data used in this section has been derived from the industry report titled "Industry Report on Textiles Industry" dated October 24, 2024, (the "CRISIL") which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL pursuant to an engagement letter dated August 7, 2024, in connection with the Issue. For details, see "Industry and Market Data" on page 12.

Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its subsidiaries (both as at and during the relevant fiscal/ period), on a consolidated basis and any reference to the "the Company" or "our Company" refers to Himatsingka Seide Limited, on a standalone basis.

OVERVIEW

Established in 1985, Himatsingka Seide Limited is a vertically integrated textile company with a global footprint. We design, develop, manufacture and distribute a suite of textile products. On the manufacturing front, we operate four manufacturing facilities situated across two campuses in the state of Karnataka, India. Our manufacturing facilities are equipped with capacities for producing an array of home textiles such as Bedding Products, Bath Products, Cotton Yarn Products and Drapery and Upholstery Products.

Our integrated manufacturing operations are complemented by a global distribution network spread across North America, EMEA and Asia. We operate a significant in-house and proprietary brand portfolio of eight brands, (Atmosphere, Liv, Bellora, Himeya, PimaCott, Organicott, GizaCott, and Homegrown cotton) and a private label portfolio for home textile products catering to global clients across key markets. As of March 31, 2024, we had a total asset base of approximately ₹5,79,451.10 lakhs and a turnover of ₹2,84,145.10 lakhs and employed over 6,842 permanent employees globally and 1,125 employees engaged through contract labour and serviced clients across 35 countries globally.

Manufacturing Facilities

We operate four integrated manufacturing facilities spread over 393.38 acres in two campuses located in the state of Karnataka, India. Our 366.61-acre campus in Hassan, Karnataka houses three manufacturing plants (integrated Cotton Spinning Plant, integrated Terry Towel Plant and integrated Sheeting Plant). Our 26.76- acre campus in Doddaballapur, Karnataka houses one manufacturing plant which is our integrated Drapery and Upholstery Plant.

We believe that our manufacturing platforms epitomize scale, flexibility, efficiencies, technology, and digitization. Our integrated manufacturing facilities produce a suite of home textile products for our global client base who cater to consumer audiences worldwide.

Our manufacturing capacity matrix and the key features of our manufacturing facilities as of June 30, 2024 are as follows:

Manufacturing capacity matrix as of June 30, 2024

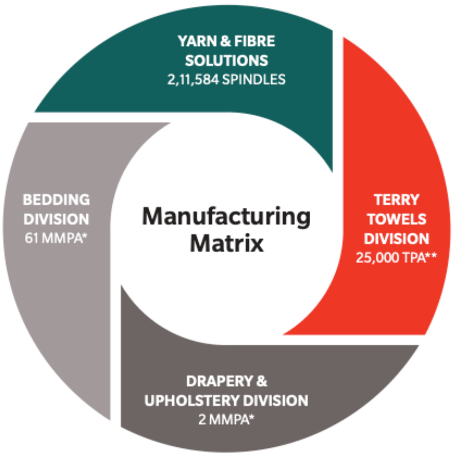


Figure 1 : Manufacturing Capacity Matrix

*** MMPA refers to million meters per annum.*

**TPA refers to tonnes per annum.*

Key features of our manufacturing facilities as of June 30, 2024

Plant	Location	Capacity	Particulars
Integrated Cotton Spinning Plant	Hassan, Karnataka, India	211,584 spindles	Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of cotton spinning capacity under one roof globally with an installed capacity of 211,584 Spindles as of June 30, 2024. (*Source: CRISIL Report*) The Spinning Plant is equipped with advanced technology platforms from global technology leaders in spinning equipment and is capable of producing a broad cross-section of cotton yarn products under one roof.
Integrated Sheeting Plant	Hassan, Karnataka, India	61 MMPA	Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of Bedding Products with a manufacturing capacity of 61 MMPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Sheeting Plant is capable of producing a comprehensive suite of Bedding Products that include core bedding, fashion bedding, utility bedding, comfort bedding and seasonal bedding. This ability to produce a broad cross-section of products makes our Sheeting Plant flexible and capable of catering to the dynamic and ever-changing preferences of global retailers.
Integrated Terry Towel Plant	Hassan, Karnataka, India	25,000 TPA	Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of terry towel manufacturing capacity of 25,000 TPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Terry Towel Plant is capable of producing a comprehensive suite of Bath Products that include core towels, fashion towels, beach towels, kitchen towels, cleaning towels, seasonal towels, bath robes and accessories among other products. This ability to produce a broad cross-section of Bath Products makes our Terry Towel Plant flexible and capable of catering to the dynamic and ever-changing preferences of global retailers.
Integrated Drapery and Upholstery Plant	Doddaballapur, Karnataka, India	2 MMPA	Located at our 26.76 -acre campus at Doddaballapur, Karnataka, we have an installed capacity of 2 MMPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Drapery and Upholstery Plant is capable of producing a comprehensive suite of Drapery and Upholstery Products to cater to luxury soft home brands worldwide.

Global Networks, Brands and Clients

As an integrated business, we manufacture and distribute a suite of home textile products across markets worldwide. Our distribution capabilities are powered by brands (owned and licensed) and private label portfolios that service over 117 export clients across 35 countries worldwide. Our products reach a broad cross-section of consumers across retail platforms and channels globally. Our international network of sales offices is situated in India, and USA and our warehousing facilities are situated in India and USA.

We have reach with global retailers that operate across key markets, formats and channels. Through our global networks, we cater to different global retailers including certain Fortune 500 companies and service a global client base across various retail formats and channels including hyper markets, departmental stores, speciality stores, off-price retailers, importers, multi-brand outlets and e-commerce platforms amongst other formats. We operate a marquee brand portfolio in the home textile space and offer global clients our brands (licensed and owned) across product categories, price points and channels.

Promoters, Board and Management

We are led by our Promoters, Dinesh Kumar Himatsingka (Executive Chairman) and Shrikant Himatsingka (Executive Vice Chairman and Managing Director). Our Promoters have a strong track record, extensive experience and deep expertise in the textiles industry. Our Promoter and Executive Chairman, Dinesh Kumar Himatsingka founded the Company in 1985 and has spent 39 years with the Company, while our Promoter, Executive Vice Chairman and Managing Director, Shrikant Himatsingka has been with the Company for the period of over 21 years.

Our Board of Directors and Senior Management bring with them expertise and know-how from various industrial and service sectors including in the textile sector, manufacturing sector, banking and financial services sector which helps us assess risks and opportunities using optimal frameworks whilst adhering to all the regulatory and statutory requirements and regulations. For details of our Board and management, see "*Board and Senior Management*" on page 414.

Financial Metrics

The table below set outs some of our financial and other metrics for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022:

(In ₹ lakhs, unless specified below)

Particulars	As of and for the year ended March 31,		
	2024	2023	2022
Revenue from Operations	2,84,145.10	2,67,774.26	3,18,395.02
Other Income	2,113.30	7,501.85	1,961.95
Total Revenue	2,86,258.40	2,75,276.11	3,20,356.97
EBITDA	61,733.20	34,603.81	54,992.15
EBITDA Margin (%)	21.73%	12.92%	17.27%
EBIT	45,922.84	18,200.49	39,149.59
Profit/(Loss) before tax	16,276.24	(7,522.67)	21,032.51
Tax Expense	4,994.02	(1,114.70)	6,950.88
Profit/(Loss) after tax	11,282.22	(6,407.97)	14,081.63

STRENGTHS

Global presence with extensive distribution and reputed client base

As an integrated business, we manufacture and distribute our suite of home textile products across markets worldwide. Our distribution capabilities are powered by strong brand (owned and licensed) and private label portfolios that service over 117 export clients across 35 countries worldwide. We reach consumers across retail platforms and channels globally. Our international network of sales offices (India, and USA) and warehousing facilities (India and USA) assist us in driving sales, provide after-sales services and enable supply chain support for client requirements across key markets.

The countries we service span across North America, EMEA, United Kingdom, India and the Asia Pacific Region. The following table represents our geographical revenues segregated based on the locations of the customers who are invoiced or in relation to which the revenues are otherwise recognized, as a percentage of our total revenue from customers for the years specified:

(in ₹ lakhs, unless specified otherwise)

Particulars	Revenue for the year ended March 31, 2024	For the year ended March 31, 2024 as a % of total revenue	Revenue for the year ended March 31, 2023 as a % of total revenue	For the year ended March 31, 2023	Revenue for the year ended March 31, 2022	For the year ended March 31, 2022 as a % of total revenue
North America	2,20,176.46	85.44%	2,12,292.82	86.01%	2,48,733.23	86.32%
India and Asia pacific	8,068.04	3.13%	9,673.87	3.92%	10,703.96	3.72%
Europe, Middle East and Africa	28,005.15	10.87%	23,546.29	9.54%	26,734.17	9.28%
Rest of the world	1,455.11	0.56%	1,315.65	0.53%	1,966.26	0.68%
Total	**2,57,704.76**	**100.00%**	**2,46,828.63**	**100.00%**	**2,88,137.62**	**100.00%**

We have reach with global retailers across key markets, formats and channels. We service these retailers for their private label requirements across various categories of soft home products (Bedding Products, Bath Products and Drapery and Upholstery Products). Through our global networks we cater to different global retailers including certain Fortune 500 companies and service a global client base across various retail formats and channels including hyper markets, departmental stores, speciality stores, off-price retailers, importers, multi-brand outlets and e-commerce platforms amongst other formats. Our long-standing relationship with our major customers along with our commitment to quality and customer service practices have been significant to our robust customer relations and growth. We continually receive repeat business from our international customers, and our top three international clients have been associated with us for several years indicating their confidence in our ability to understand the latest trends and ensure timely delivery of quality products.

In addition to private label requirements of global retailers, we also offer global clients our brands (licensed and owned) across product categories, price points and different channels. We operate a marquee brand portfolio in the home textile space and believe that we are optimally positioned to cater to the diverse requirements of global retail majors and accommodate a dynamic range of consumer preferences across geographies.

Figure 2: Our Brands

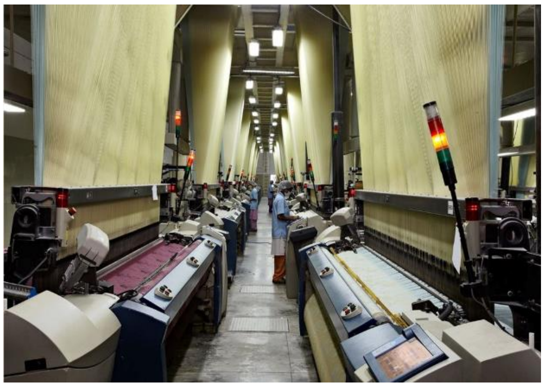
Operating manufacturing facilities of global scale

We build and operate four integrated manufacturing facilities across two campuses in Karnataka, India. The two campuses located in Hassan and Doddaballapur are cumulatively spread over 393.38 acres. The four plants are equipped with capacities for the products they manufacture and deploy advanced technology platforms to enable high degrees of flexibility, efficiencies and digitization. The facilities are equipped with and are capable of producing a suite of bedding and Bath Products for our customers who cater to consumers worldwide.

Our 366.61-acre Hassan campus and 26.76-acre Doddaballapur campus together house four manufacturing plants. As of June 30, 2024, the four manufacturing plants are equipped with capacities as follows:

- **Integrated Cotton Spinning Plant**: Located at our 366.61 acre campus at Hassan, Karnataka, India, we are amongst the top five companies in India in terms of cotton spinning capacity under one roof with an installed capacity of 2,11,584 spindles *[(Source: CRISIL Report)]*
- **Integrated Sheeting Plant**: Located at our 366.61 acre campus at Hassan, Karnataka, India, we are amongst the top five companies in India in terms of Bedding Products with a manufacturing capacity of 61 MMPA. [(*Source: CRISIL Report)]*
- **Integrated Terry Towel Plant**: Located at our 366.61 acre campus at Hassan, Karnataka, India, we are amongst the top five companies in India in terms of terry towel manufacturing capacity of 25,000 TPA. *[(Source: CRISIL Report)]*

- **Integrated Drapery and Upholstery Plant**: Located at our 26.76 acre campus at Doddaballapur, Karnataka, India, we have an installed capacity of 2 MMPA.



Drapery and Upholstery Plant

Spinning Plant

Sheeting Plant *Terry Plant*

In addition to our core capacities of Spinning, Weaving, Processing and Sewing, our manufacturing campuses are also equipped with advanced platforms such as a 11 MLD Zero Liquid Discharge Effluent Treatment Plant and a 12.5 MW captive coal generation power plant among other shared assets.

Our manufacturing facilities are constantly tested for their adherence and compliance to various Quality, Occupational Health, Environment and Safety standards and have been certified by various certification agencies worldwide. We have a well-established occupational health and safety and environmental management systems that have been accredited with the certification such as ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. Our products meet the human-ecological requirements of the STANDARD 100 by OEKO- TEX. Our security management system has been recognised and certified by the United Registrar of Systems. We are an approved licensee of Supima Cotton, Egyptian and Organic Cotton for utilising yarn or fabric made from American Pima cotton.

Vertically integrated business powered by advanced technology platforms and next generation manufacturing shopfloors

We believe that an integrated model drives control, efficiencies and transparency, paving the way for a more reliable and predictable supply chain. We operate an integrated model that gives us visibility of the entire value chain from fibre to shelf, improves our response time and enables us to make high frequency product introductions that drive consumer choices.

The following chart depicts our vertically integrated model from fibre to shelf:

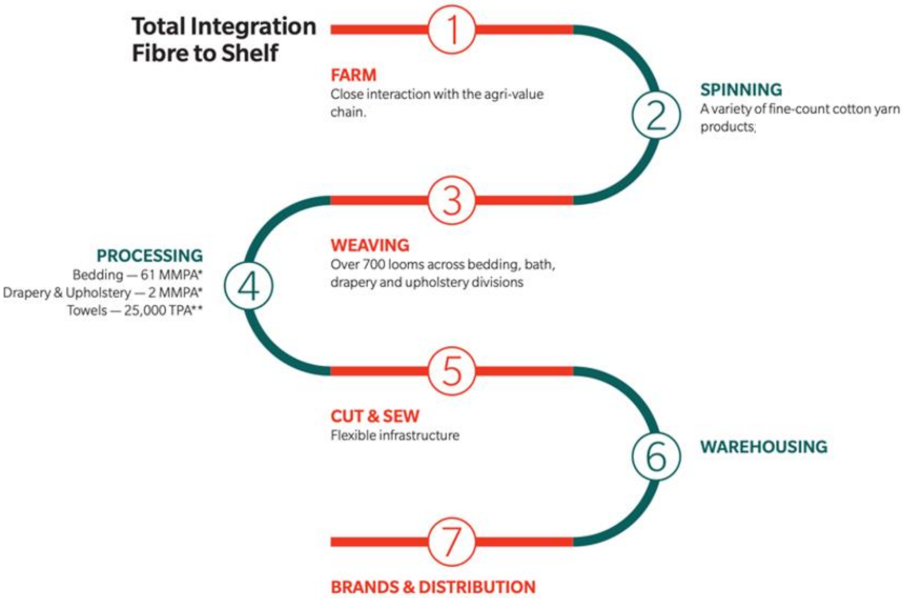


Figure 3 : Total Integration – Fibre to Shelf

Our operations commence with the production of yarn at our integrated Spinning Plant. It is then followed by Weaving, Processing and Sewing at our integrated Sheeting and Terry Towel Plants. During the manufacturing process, our plants are assisted by inhouse Captive Power Plants, Zero Liquid Discharge (ZLD) Water Management Plants and physical and chemical laboratories among other assets. Our vertical asset base ensures the highest standards of quality control and compliance, thereby enhancing the reliability quotient sought by global retail majors.

Whilst focusing on digital transformation initiatives, we have digitised our shop floors to power innovation, enhance speed and usher in a high-productivity work culture. Data analytics, robotics, automation, and the internet of things have been central themes in the application of information and communication technology to every facet of our operation. These initiatives enable us to rapidly adapt to evolving market conditions, while ensuring a high degree of compliance through the global value chain.

Further, through our R&D efforts, we have introduced a dope dyed method through which we dye the fibre water-free. Through this method, we have managed to save 4.0 gallons of water per bath towel and 16.5 gallons of water per queen sheet set. In textiles, processing (dyeing) is considered to be the polluting factor, but with dope dying this issue is eliminated and since dope dying is carried out with 100% renewable energy, we save majorly in GHG emission.

Shop Floors

Comprehensive suite of home textile products backed by innovation and strong brand and private label portfolios

We are amongst the top five companies involved in manufacturing of home textile solutions encompassing Bedding Products, Bath Products, Drapery and Upholstery Products and Cotton Yarn Products. [(*Source: CRISIL Report*)]

The figure below demonstrates the breadth and depth of product categories manufactured by us:

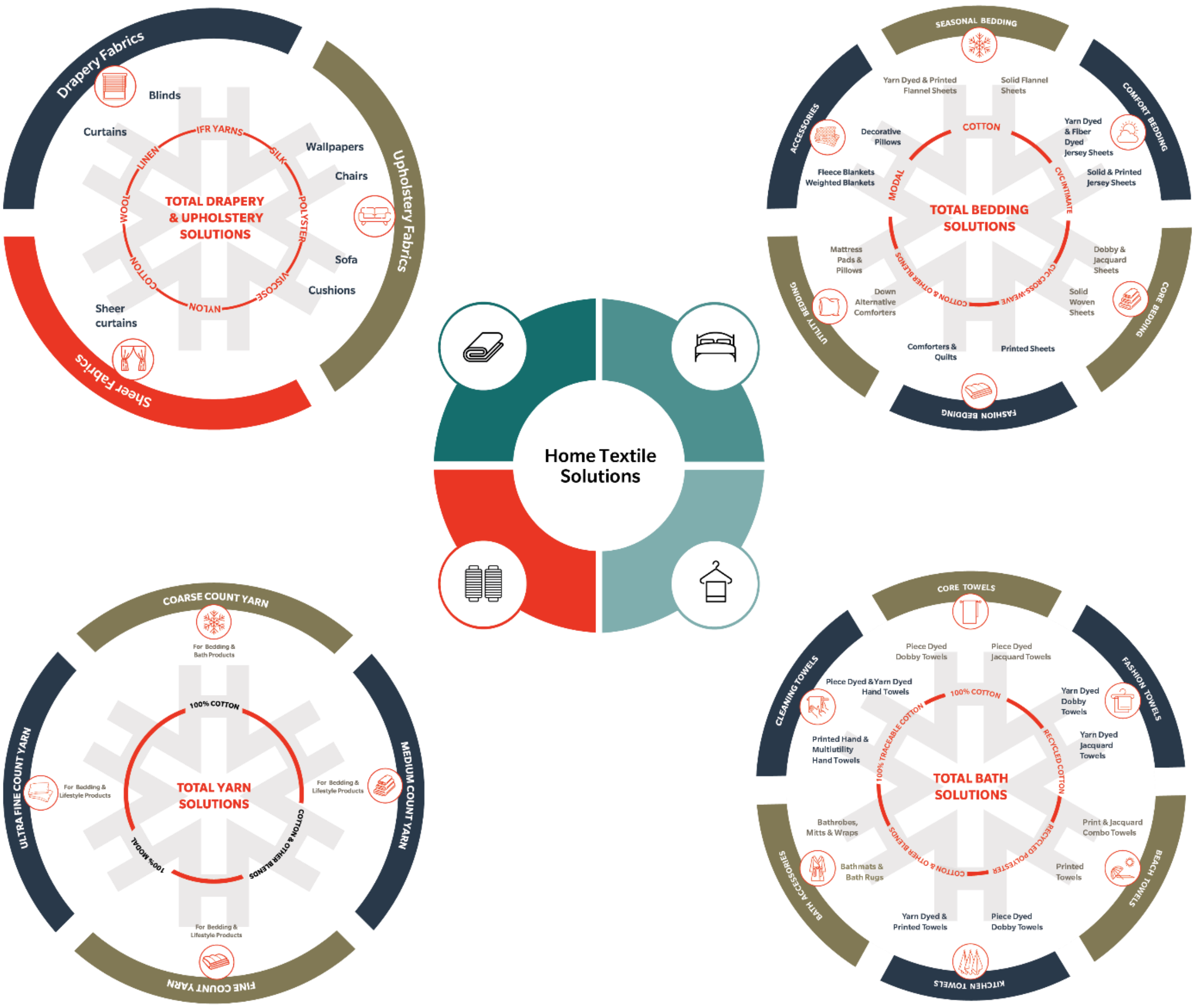


Figure 4: Suite of Home Textile Solutions

Innovation is central to our product development philosophy and we lay a strong emphasis on R&D and the use of cutting-edge technology in the manufacturing process. We focus on innovation through product curation, packaging, supply chain enhancements and value-based customisation which enables supply of better value products spanning various markets, catering to the needs and habits of consumers across the globe. We focus on innovation through material and technique advancements, including the usage of fibres that are more sustainable or offer enhanced features, packaging and value-based customisation which enables supply of better value products spanning various markets, catering to the needs and habits of consumers across the globe. Our understanding of market trends and consumer preferences is pivotal in fostering innovation and thereby creating a strong pipeline of new products catering to diverse and dynamic market requirements. We own six patents in the United States of America for certain fitted mattress cover and ornamental design for fitted mattress cover. Home textiles is a specialized and challenging job work which requires adherence to stringent quality parameters and safety procedures. Our Company is fully equipped to cater to such requirements.

We have a future-forward, well recognized, domestic and global brand portfolio and successful partnerships with international retail channels. We believe that we enhance the lives of millions around the world, across age groups, needs, lifestyles and aesthetic preferences. Our expansive portfolio includes products that celebrate convenience and everyday comfort, while also offering complete traceability and best-in-class functional attributes across good, better, and best category of products.

Strong management team and talent pool led by experienced Promoters

We are led by our Promoters, Dinesh Kumar Himatsingka (Executive Chairman) and Shrikant Himatsingka (Executive Vice Chairman and Managing Director). Both our Promoters have a strong track record, extensive experience and deep expertise of the textiles industry. While Dinesh Himatsingka founded the company in 1985 and has spent 39 years with the company, Shrikant Himatsingka has been with the company for the period of 21 years.

We have always believed in creating strong talent pools and our senior management team bring with them extensive experience and know-how with regard to the functions and/or responsibilities they have been entrusted with.

Set out below is the list of our Senior Management Personnel and their experience:

- Akanksha Himatsingka- CEO – Home Textile Solutions has 12 years of experience in textile industry.

- M. Sankaranarayanan, President - Finance and Group CFO has over 13 years of experience in various disciplines of finance involving banking, accounting, audit, taxation and costing in power, hospitality, infrastructure and textile industry.

- Major (Retd.) Kumud Kumar, President - HR and Group CHRO has over 11 years of experience in human resources department in the steel, aluminium and textile industry.

- Manu Kapur, President - Business Development (Group) has several experience in various aspects of business development including strategy, client relations and sales.

- Ganapathy C. B., President - Corporate Affairs and Group General Counsel has several years of experience in corporate law, commercial law and corporate affairs.

- Jayshree Poddar- Creative Head – Design has 37 years of experience in textile industry.

- Hemant Khandelwal, Executive Vice President and Campus Head- Manufacturing Operations (Hassan) has experience in various facets of in various facets of the textile industry.

- Lakshman- Senior Vice President – Sourcing & Logistics (Group) has 20 years of experience in textile industry.

- Maria Alapatt- Vice President - Design & Marketing has 18 years of experience in textile industry.

- Bindu D- Assistant General Manager-Corporate Compliance, Company Secretary, and the Compliance Officer has several years of experience in the field of corporate compliance and company law related matters and handles secretarial compliance, enabling corporate finance, & due diligence work.

In addition to strong management team, we have a mid and lower management team to ensure all functions across the value chain with optimal practices, system and standard operating procedures. We have always believed in creating a professional culture that fosters continuous improvement, accountability, and collaboration, enabling us to deliver on our values and vision.

Strong ESG commitment

We are committed to being a part of the global effort to create a more inclusive, fairer and greener world. We orient our strategies and efforts to ensure that we deliver on our ESG goals.

We are rapidly fine-tuning systems and practices that hold us accountable to our footprint and reflect measurable change. Our core ESG commitment is to close ‘the green gap’ at our workplace and make better lives possible for our people and the communities that surround us. Our focus will continue to be on integrating green initiatives, building sustainability into everything we do, and keeping our work environment safe, equitable and rewarding.

We are committed to building, developing and operating plants that maximize the green quotient and minimize carbon footprint. We believe our manufacturing facilities are on the path of becoming amongst the greenest manufacturing platforms in our industry globally. These initiatives will not only enable us to deliver a greener energy footprint but also aid in cost optimization measures.

Some of the key ESG initiatives undertaken by us, to date include:

- *Environment*:

  At Himatsingka, we believe in being an integral part of the global effort to create a greener and more sustainable world. We comprehend the implications that depleting natural resources and various forms of environmental degradation will have on social and business ecosystems. Embracing sustainability is at the core of our business and we are committed to taking every measure that will help make us be a more sustainable global enterprise.

Figure 5: Our Environmental Goals

We believe in sustainable growth and are dedicated to fostering a greener future. Our commitment to environmental stewardship is reflected in our comprehensive efforts to reduce our ecological footprint. We focus on minimizing waste, maximizing resource efficiency, and transitioning to cleaner energy sources. By eliminating coal, utilizing biomass, and setting ambitious targets for renewable energy, we demonstrate our dedication to responsible energy consumption. Additionally, our initiatives in waste management, water recovery, and greenhouse gas emissions reduction showcase our proactive approach to sustainability. Our achievements, such as saving and repurposing waste, achieving high water recovery rates, and significantly reducing CO2 emissions, highlight our unwavering commitment to a sustainable and eco-friendly future.

- *Social*: In a rapidly changing social paradigm, organizations that are agile will forge deeper relationships within the workplace and communities outside. Aligned with our purpose of making netter lives Possible, we are focused on our responsibility towards our people. At Himatsingka, we strive to create a diverse and inclusive workplace where everyone feels empowered to contribute to our open culture of innovation and entrepreneurship.

  Our community enhancement initiatives focus on programs that are positive, sustainable and impactful. Targeting underserved communities in and around Hassan, we continue to support them through multi-dimensional and integrated development projects, in education, health and livelihood enhancement.

- *Governance*: We are committed to exercising and maintaining strong corporate governance practices and policies that strengthen Board and management accountability and promote the long-term interests of our shareholders. We are led by our Promoters, Dinesh Kumar Himatsingka (Executive Chairman) and Shrikant Himatsingka (Executive Vice Chairman and Managing Director). Both promoters have a strong track record, extensive experience and deep expertise in the home textiles industry.

  Our dynamic, experienced, active, and independent-minded Board bring with them their expertise and know-how from various industrial and service sectors which helps provides valuable oversight of management, risk, and overall strategic direction. The group is continuously building on its existing processes, policies and framework to achieve high standard of governance in all spheres of its business.

Figure 6 : Our Purpose, Values and Vision

. Our training programs, combined with robust internal monitoring and auditing systems, equip us with the frameworks necessary to achieve our governance goals. These practices ensure that we operate transparently and responsibly, aligning with our commitment to good corporate governance and the interests of all our stakeholders.

STRATEGIES

Enhancing capacity utilisation levels

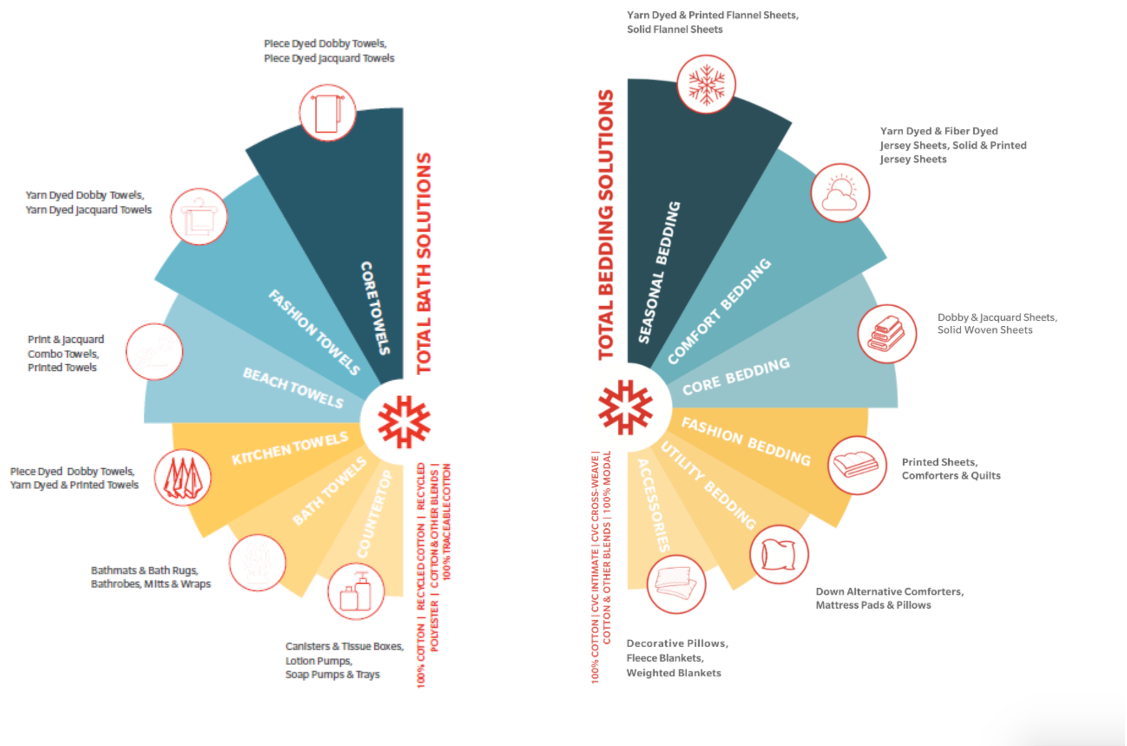
We are focused on maximizing asset and capacity utilization levels across our facilities. Our manufacturing facilities are currently running at capacity utilization levels of approximately 67 % as of March 31, 2024. We have latent capacity to utilize across our sheeting and terry towel plants, therefore our focus will be on enhancing utilization levels to drive the financial and operating performance of the company. Our present capacity utilization levels are as follows:

Capacity Utilization	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2024
Spinning Plant	95%	80%	93%	99%
Sheeting Plant	80%	57%	67%	66%
Terry Towel Plant	70%	60%	67%	67%
Drapery and Upholstery Plant	55%	52%	55%	26%

We believe that enhancing capacity utilization levels will enable us to optimize our financial and operating performance and maximize capital efficiencies as all our major capital expenditure outlays have been concluded. Our strong global client networks, presence across channels, diversified product portfolio and our reach across major markets will drive our capacity utilization levels going forward.

Continuously improving and upgrading our product category assortments

We endeavour to stay current and relevant to our global clients by offering a comprehensive suite of products that add value to their retail assortments. Our global clients have worked towards their product assortments and merchandise mix to stay current and competitive. As total solution providers in home textile space, we continue to strengthen our presence across consumer-facing retail shelves, globally. We believe that this will enhance revenue streams and de-risk our business model. We have made significant progress in broadening our product assortments across all categories of bedding, bath and drapery & upholstery and believe our robust portfolios will aid in expanding our client base and diversifying our global market presence. In recent times we have introduced the category of "Comfort Bedding" where we use knitted fabrics instead of woven fabrics to produce Bedding Products. These products were inspired by the athleisure and innerwear categories in the apparel world. The idea was to create Bedding Products that are as comfortable and relaxing as innerwear. This product category was targeted for Gen-Z consumers across key markets. We operate amongst the largest capacities in India of this category of product.



We are in the cotton track and trace space, offering complete traceability solutions for a suite of cotton products. We provide complete traceability solutions for a suite of cotton products with the assurance that our cotton is not blended. We use licensed and patent protected DNA Tagging Technology that enables us to test and track cotton through its journey from farm to shelf. Himatsingka's traceable and globally marketed cotton brand portfolio comprising PimaCott®, HomeGrown Cotton®, Organicott® and Gizacott® are available across a full range of bedding, bath, and other textile products. Our traceable solutions portfolio continues to be well received across markets. This traceable products portfolio has also been well received and illustrates how differentiated product assortment and capabilities resonate with global audiences.

Expanding our global client base

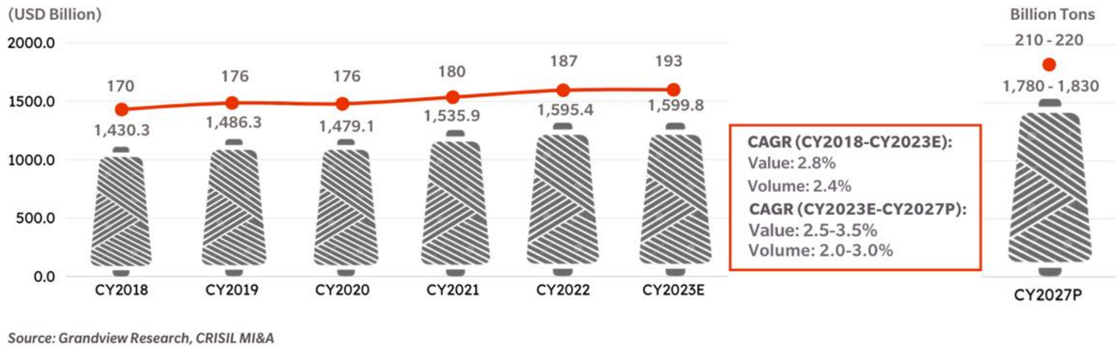
As an integrated business, we manufacture and distribute our suite of home textile products across markets worldwide.

Our distribution capabilities are powered by strong brand (owned and licensed) and private label portfolios that service over 117 export clients across 35 countries worldwide. Our international network of sales offices (India, and USA) and warehousing facilities (India and USA) assist us in driving sales, provide after-sales services and enable supply chain support for client requirements across key markets.

Figure 7 : Servicing Clients across 35 Countries

We have reach with global retailers across key markets, formats and channels. We service these retailers for their private label requirements across various categories of soft home products (Bedding Products, Bath Products and Drapery and Upholstery Products). Through our global networks we cater to different global retailers including certain Fortune 500 companies and service a global client base across various retail formats and channels including hyper markets, departmental stores, speciality stores, off-price retailers, importers, multi-brand outlets and e-commerce platforms amongst other formats.

Globally, the demand for textile and apparel products continue to rise, supported by expanding target audiences, increasing incomes, growing urbanization and enhanced emphasis on home décor, living spaces, and healthier lifestyle. By leveraging our global networks, we aim to expand our global client networks across key markets. The global textile and the apparel industry is expected to grow at a CAGR of 2.5 - 3.5% between CY2023 to CY2027 to reach USD 1,780-1,830 billion in CY2027 (*Source: CRISIL Report*)



Expanding global footprint across countries and enhancing India presence

We remain focused on strengthening our global market footprint to enhance capacity utilization levels and broad base our revenue streams. While North America is our largest market, we have consistently increased our market share in the United Kingdom, EMEA (Europe, Middle East and Africa), India and other APAC regions. We continue to add clients across Europe, the Middle East, Asia Pacific & India and are working towards strengthening our market share in these territories in order to broad base revenue streams across regions.

For the last few years, we have been focused on expanding international client networks and global reach. However, while we continue to focus on our global presence, we will prioritize ramping up our presence in the Indian market as well. We believe India is a major market for our products and is capable of contributing a significant share of our total revenue going forward. The global market for home textiles is expected to have robust growth, driven by rapid urbanization, declining raw material prices, increasing population, growing demand from healthcare and hospitality industry, increasing disposable incomes, and changing consumer lifestyles.

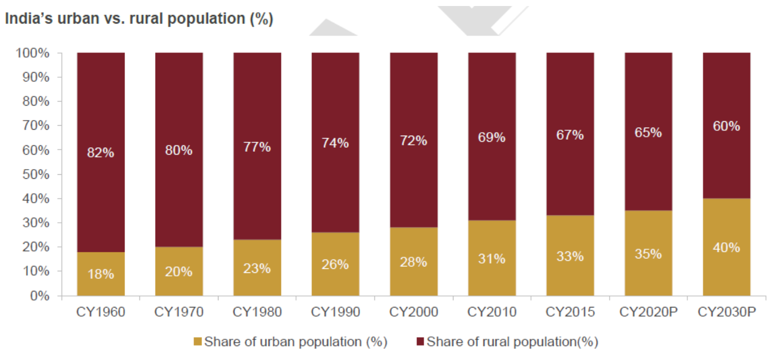


Figure 8 : Indian Market Rural vs Urban Population (Source - CRISIL Industry Report)

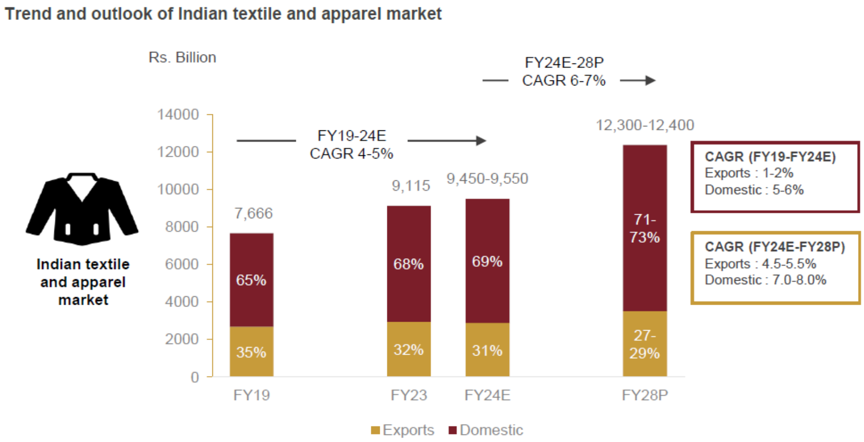


Figure 9 : Indian Market Size (Source - CRISIL Industry Report)

As of June 30, 2024, we operate in the Indian market with three brands (Himêya, Atmosphere and Liv) across retail formats including MBOs, department stores, e-commerce platforms, hypermarkets and hotels. We have reached 2,286 touchpoints and 417 cities as of June 30, 2024. In addition to our brands, we also service private label requirements of various retailers and institutional players across the country.

HIMÊYA® atmosphere® liv

Figure 10: Our Brand Presence in India

Enhancing channel depth and reach

We presently reach consumers across markets through our global client base across various retail formats and channels including hyper markets, departmental stores, discount retailers, clubs, importers, multi-brand outlets and e-commerce platforms, amongst other channels.

With a broad channel assortment prevalent globally, we intend to deepen our presence across each of these channels, in order to effectively reach more consumers globally. We are strengthening our presence across channels will be pivotal in enhancing global market share.

To enhance our presence on e-commerce channels we are actively developing new product assortments that will have an exclusive e-commerce presence and aid us in differentiating our products on the various e-commerce platforms globally. We are also leveraging supply chain capabilities to ensure quick deliveries in certain jurisdictions which is imperative for driving business on e-commerce platforms. We are currently present in over 9 e-commerce platforms globally and working on enhancing our presence going forward.

On the MBO front, our brands are currently present in approximately 2,286 MBO's spread over 417 cities and 26 states in India. With the enhancement of our product, category assortments and strong distributor networks, we are working to substantially increase our presence in multi brand outlets across India.

Figure 11: Global Multi Channel Presence

In addition to the above we consistently are working to enhance our presence across other channels both in India and in key markets internationally. We believe an omnichannel presence will strengthen out vertically integrated business model and position us as a preferred supplier for the increasingly competitive, dynamic and ever evolving retail universe.

Strengthening our financial position, sweat assets and deleveraging the balance and limiting interest burden on cashflows

We are poised to reinforce our long-term financial stability by strengthening our balance sheet with additional equity, improving debt to equity, optimizing working capital cycles, explore divestment of some non-core assets and driving our financial performance by sweating assets.

We are committed to strengthening our financial position by enhancing our capacity utilization levels and operational efficiencies to optimize our financial performance. Through sustained investments in automation, process engineering and infrastructure, we have positioned ourselves to be technology driven and will leverage our advanced technology platforms to drive sustained financial performance. Having developed an strong infrastructure setup, we are capable of enhancing capacities at incremental costs, thereby potentially being able to tap global demand requirements.

Creating sustainable manufacturing platforms

We are deeply committed to the global effort to create a more inclusive, fairer, and greener world by integrating sustainability into every aspect of our operations. Our strategy focuses on building sustainable manufacturing platforms that minimize our environmental footprint while promoting resource efficiency and responsible energy consumption. By embracing green initiatives and continuously improving our practices, we aim to reduce waste, conserve water, and lower greenhouse gas emissions across our operations.

A key element of our sustainability strategy is tapping into cleaner and more sustainable energy sources and therefore reducing our consumption of thermal energy using coal. To avail benefits under Group Captive Scheme offered by Karnataka Government, we have entered into power purchase agreements with power producers having a term of 25 years. With the substantial enhancement of our green footprint, we will not only make significant progress on our ESG goals but also drive significant cost benefits to our operating performance having rationalized energy costs with these initiatives.

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 titled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 44, 77, 451, 437 and 467 respectively.

Issuer	Himatsingka Seide Limited
Face Value	₹ 5 per Equity Share
Issue Price	₹146.60 per Equity Share (including a premium of ₹141.60 per Equity Share)
Floor Price	₹ 154.31 per Equity Share, calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company, in consultation with the BRLMs has offered a discount of 5% amounting to ₹7.71 per Equity Share on the Floor Price in accordance with the special resolution of our Shareholders passed by way of a postal ballot dated March 1, 2024 the results of which were declared on March 4, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of 2,72,85,129 Equity Shares of face value of ₹5 each, at a premium of ₹146.60 each, aggregating up to approximately ₹39,999.99 lakhs. A minimum of 10% of the Issue Size i.e., up to 27,28,513 Equity Shares, shall be available for Allocation to Mutual Funds only and the balance 2,45,56,616 Equity Shares will be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for allocation only to Mutual Funds, such minimum portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board resolution	January 25, 2024
Date of Shareholders' resolution	Special resolution of our Shareholders passed by way of a postal ballot dated March 1, 2024, the results of which were declared on March 4, 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, to whom the Preliminary Placement Document, this Placement Document and the Application Form is circulated and who are eligible to Bid and participate in the Issue. FVCIs are not permitted to participate in the Issue. The list of Eligible QIBs to whom the Preliminary Placement Document, this Placement Document and Application Form is delivered shall be determined by our Company in consultation with the Book Running Lead Managers at its discretion. For further details, see "*Issue Procedure – Qualified Institutional Buyers*" *"Selling Restrictions"* and *"Transfer Restrictions"* on pages 442 ,453 and 461
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 467 and 94, respectively
Indian taxation	For the statement of possible tax benefits available to our Company and its Shareholders under the applicable laws in India, see "*Taxation*" on page 470
Equity Shares issued and outstanding immediately prior to the Issue	9,84,96,160 Equity Shares* **As on the date of this Placement Document, 39,000 Equity Shares were issued but not subscribed to, and have been kept in abeyance pending resolution of legal dispute amongst certain shareholders of the Company.*
Equity Shares subscribed, paid-up and outstanding immediately prior to the Issue	9,84,57,160 Equity Shares
Equity Shares issued, subscribed, paid-up and outstanding immediately after the Issue	12,57,42,289 Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013, read with rules made thereunder and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 437
Listing and trading	Our Company has obtained in-principle approvals dated October 24, 2024 in terms of Regulation 28(1)(a) of the SEBI Listing Regulations from the Stock Exchanges, for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares after the

	Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant, respectively. The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.	
Lock-up	60 days from the date of Allotment. For details, see "*Placement - Lock-up*" on page 451	
Transferability restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. For details in relation to other transfer restrictions, please see "*Transfer Restrictions*" on page 461.	
Use of Proceeds	The gross proceeds from the Issue will be approximately ₹39,999.99 lakhs. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are expected to be ₹37,759.99 lakhs, which is proposed to be utilised for (i) repayment/ pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/ or its Subsidiaries; and (ii) general corporate purposes. See "*Use of Proceeds*" on page 77 for additional information regarding the use of net proceeds from the Issue	
Risk Factors	See "*Risk Factors*" on page 44 for a discussion of risks you should consider before investing in the Equity Shares	
Closing Date	The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about October 29, 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* in all respects with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (as on the record date) 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 may attend and vote in Shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, see "*Dividends*" and "*Description of the Equity Shares*" on pages 94 and 467, respectively	
Security codes for the Equity Shares	ISIN	INE049A01027
	BSE Scrip Code	514043
	NSE Symbol	HIMATSEIDE

SELECTED FINANCIAL INFORMATION

The following selected financial information is derived from and should be read in conjunction with:

a) the Audited Consolidated Financial Statements prepared in accordance with the Ind AS and Companies Act, 2013; and

b) Unaudited Consolidated Financial Results of our Company prepared in accordance with the SEBI Listing Regulations and Section 133 of the Companies Act and other accounting principles generally accepted in India.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 332 and 95, respectively.

SUMMARY OF UNAUDITED CONSOLIDATED RESULTS OF PROFIT AND LOSS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the three months period ended June 30, 2024
Income	
Revenue from operations	73,545.99
Other income	262.21
Total income	73,808.20
Expenses	
Cost of materials consumed	31,575.83
Purchases of stock-in-trade	2,262.69
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,347.23
Employees benefits expense	7,089.94
Finance costs	8,183.36
Depreciation and amortisation expense	3,763.82
Other expenses	16,642.60
Total Expenses	70,865.47
Profit/(Loss) before tax	2,942.73
Income tax expense:	
- Current tax	960.30
- Deferred tax (credit)/charge	(73.34)
Total income tax expense	886.96
Profit after tax before share of associates	2,055.77
Shares of loss of associates	(0.26)
Profit/(Loss) for the period/year	2,055.51
Other comprehensive income	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	
Remeasurement gains/(losses) on defined benefit plans	35.38
Income tax effect	(12.36)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	
Exchange differences in translating the financial statements of foreign operations	5.78
Effective portion of gain (loss) on hedging instruments in cash flow hedge	138.03
Income tax effect	(48.23)
Other comprehensive income for the year, net of tax	118.60
Total comprehensive income/(loss) for the period/year, net of tax	2,174.11
Earnings/(loss) per equity share in ₹ [nominal value of ₹ 5]	
a) Basic	2.09
b) Diluted	2.04

SUMMARY OF CONSOLIDATED BALANCE SHEET

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As of March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	2,29,404.60	2,40,777.72	2,52,580.91
Capital work in progress	3,221.06	2,988.06	4,428.46
Goodwill	53,086.10	52,386.74	48,415.25
Other intangible assets	4,267.61	5,807.33	6,484.72
Right-of-use assets	7,916.45	9,430.43	10,096.06
Financial assets			
Investments	24.01	23.67	21.55
Loans	-	56.07	56.07
Other financial assets	2,320.73	2,206.65	2,003.20
Deferred tax assets, net	1,720.12	1,672.23	1,649.58
Income tax assets, net	1,514.02	1,514.02	1,360.25
Other non-current assets	3,597.70	5,364.25	6,584.97
Total non-current assets	**3,07,072.40**	**3,22,227.17**	**3,33,681.02**
Current assets			
Inventories	97,964.23	88,484.70	1,13,124.76
Financial assets			
Investments	171.91	964.52	1,309.48
Trade receivables	90,165.71	67,002.37	39,945.72
Cash and cash equivalent	3,544.27	5,875.04	11,548.96
Bank balances other than cash and cash equivalent	12,848.39	4,929.18	5,183.07
Loans	78.43	84.93	87.83
Other financial assets	33,319.39	20,865.73	19,532.49
Other current assets	25,730.77	34,550.75	32,055.63
Assets held for sale	8,555.60	8,434.11	7,894.31
Total current assets	**2,72,378.70**	**2,31,191.33**	**2,30,682.25**
Total Assets	**5,79,451.10**	**5,53,418.50**	**5,64,363.27**
Equity and liabilities			
Equity			
Equity share capital	4,922.86	4,922.86	4,922.86
Other equity	1,50,972.12	1,39,978.60	1,42,048.49
Total Equity	**1,55,894.98**	**1,44,901.46**	**1,46,971.35**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	1,59,016.44	1,47,698.34	1,58,916.55
Lease liabilities	8,967.48	9,830.31	10,138.66
Provisions	2,127.57	1,778.86	1,997.05
Deferred tax liabilities, net	10,087.26	8,163.20	9,723.48
Other non-current liabilities	22,981.92	24,788.67	26,603.05
Total non-current liabilities	**2,03,180.67**	**1,92.259.38**	**2,07,378.79**
Current liabilities			
Financial liabilities			
Borrowings	1,20,796.32	1,21,796.89	1,21,624.77
Lease liabilities	1,004.42	1,277.66	1,489.57
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	14,632.98	8,122.27	10,015.21
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	69,517.48	73,329.39	60,810.40
Other financial liabilities	6,371.42	7,537.31	6,468.51
Other current liabilities	3,142.66	3,106.77	3,614.05
Provisions	1,545.93	1,071.78	1,448.28
Current tax liability, net	3,364.24	15.59	4,542.34

Particulars	As of March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total current liabilities	**2,20,375.45**	**2,16,257.66**	**2,10,013.13**
Total liabilities	**4,23,556.12**	**4,08,517.04**	**4,17,391.92**
Total equity and liabilities	**5,79,451.10**	**5,53,418.50**	**5,64,363.27**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	2,84,145.10	2,67,774.26	3,18,395.02
Other income	2,113.30	7,501.85	1,961.95
Total income	**2,86,258.40**	**2,75,276.11**	**3,20,356.97**
Expenses			
Cost of materials consumed	1,30,521.11	1,28,291.08	1,75,271.29
Purchases of stock-in-trade	-	6,533.54	19,417.91
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(8,495.53)	19,386.15	(30,275.89)
Employees benefits expense	30,759.15	28,160.14	32,718.71
Finance costs	29,646.60	25,723.16	18,117.08
Depreciation and amortisation expense	15,810.36	16,403.32	15,842.56
Other expenses	71,740.47	58,301.39	68,232.80
Total Expenses	2,69,982.16	2,82,798.78	2,99,234.46
Profit/(loss) before tax	**16,276.24**	**(7,522.67)**	**21,032.51**
Income tax expense:			
- Current tax	5,193.11	15.43	4,290.39
- Deferred tax (credit)/charge	(199.09)	(1,130.13)	2,660.49
Total income tax expense	**4,994.02**	**(1,114.70)**	**6,950.88**
Profit/(loss) after tax for the period/years	**11,282.22**	**(6,407.97)**	**14,081.63**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) on defined benefit plans	(388.01)	387.14	23.12
Income tax effect	135.59	(135.28)	(8.08)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(559.12)	5,591.75	1,714.98
Effective portion of gain (loss) on hedging instruments in cash flow hedge	803.68	(1,558.85)	199.76
Income tax effect	(280.84)	544.72	(69.80)
Other comprehensive income/(loss) for the year, net of tax	**(288.70)**	**4,829.48**	**1,859.98**
Total comprehensive income/(loss) for the period/year, net of tax	**10,993.52**	**(1,578.49)**	**15,941.61**
Earnings/(loss) per equity share in ₹ [nominal value of ₹ 5]			
a)Basic	11.46	(6.51)	14.30
b)Diluted	11.03	(6.51)	14.30

SUMMARY STATEMENT OF CASH FLOWS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities			
Profit/(loss) for the year	11,282.22	(6,407.97)	14,081.63
Adjustments to reconcile profit before tax to net cash flows:			
Finance costs	29,646.60	25,723.17	18,117.08
Interest income	(498.97)	(373.02)	(275.73)
Net gain on sale of current investments	-	(8.73)	(60.37)
Loss on current investments carried at fair value through profit or loss	-	-	40.46
Net (loss) / gain on disposal of property, plant and equipment	574.42	(1,895.80)	146.38
Loss allowance on financial assets (net)	910.42	256.61	35.64
Amortized value of employee loans and security deposits	6.86	7.31	24.36
Depreciation and amortisation expense	15,810.36	16,403.32	15,842.56
Provision no longer required written back	(280.00)	-	-
Net foreign exchange loss on non operating activities	(16.49)	472.80	107.09
Rental income from operating lease	(94.60)	-	-
Tax expense	4,994.02	(1,093.04)	6,950.88
Operating profit before working capital changes	**62,334.84**	**33,084.65**	**55,009.98**
Movements in working capital			
(Increase) / decrease in trade receivables	(24,976.08)	(25,156.44)	(6,234.16)
(Increase) / decrease in inventories	(8,583.78)	30,632.63	(31,819.64)
(Increase) / decrease in other assets	1,706.06	(502.74)	(16,652.56)
Increase / (decrease) in trade payables	1,234.96	3,172.79	7,938.97
Increase / (decrease) in provisions	434.87	(207.56)	496.18
Increase / (decrease) in other liabilities	175.97	(966.08)	234.51
Cash generated from operating activities	**32,326.84**	**40,057.25**	**8,973.28**
Direct taxes paid, net	(93.30)	(4,645.99)	(2,187.96)
Net cash generated from operating activities (A)	**32,233.54**	**35,411.26**	**6,785.32**
B. Cash flow from investing activities			
Proceeds of sale of current investments	-	353.70	700.46
Interest received	442.26	539.97	284.59
Acquisition of property, plant and equipment and intangible assets	(4,841.64)	(972.93)	(14,758.28)
Proceeds from sale of property, plants and equipment	94.60	-	-
Investment in fixed deposits	(37,900.18)	(16,901.49)	(42,137.71)
Proceeds from fixed deposits maturity	30,467.15	17,198.74	42,285.79
Net cash (used in)/generated from investment activities (B)	**(11,737.81)**	**217.99**	**(13,625.15)**
C. Cash flow from financing activities			
Proceeds from / (repayment of) borrowings - Current (net)	(12,006.11)	4,070.23	20,920.41
Proceeds from borrowings - Non-Current	36,916.16	69,788.11	50,774.11
Repayment of borrowings - Non Current	(13,927.28)	(86,372.58)	(38,680.18)
Dividends paid on equity shares	-	(492.29)	(492.29)
Payment of lease liabilities	(1,843.32)	(2,249.03)	(1,942.18)
Proceeds from government subsidies	1,289.00	2,748.47	5,549.92
Interest paid	(33,235.85)	(27,582.29)	(23,997.12)
Net cash from generated from/(used in) financing activities (C)	**(22,807.40)**	**(40,089.38)**	**12,132.67**
Net (decrease)/increase in cash and cash equivalent (A+B+C)	**(2,311.67)**	**(4,460.13)**	**5,292.84**
Effect of exchange rate changes, net	(19.10)	(1,213.79)	(463.22)
Cash and cash equivalent at the beginning of the period/years	**5,875.04**	**11,548.96**	**6,719.34**
Cash and cash equivalent at the end of the period/years	**3,544.27**	**5,875.04**	**11,548.96**

RELATED PARTY TRANSACTIONS

For details of the related party transactions and during the Financial Years ended March 31, 2024 March 31, 2023 and March 31, 2022, as per the requirements under Related Party Disclosures (Ind AS 24) as notified under Section 133 of the Companies Act, 2013 read with Ind AS rules, as amended, see "*Financial Statements*" on page 95.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, cash flows, results of operations and financial condition.

If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, cash flows, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. In order to obtain a more detailed understanding about our Company and our business, prospective investors should read this section in conjunction with the sections "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 306, 359 and 332, respectively, as well as the other financial information included in this Placement Document.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. See "Forward-Looking Statements" on page 13. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its subsidiaries (both as at and during the relevant fiscal/ period), on a consolidated basis.

Unless otherwise indicated or the context otherwise requires, the financial information for the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022 included herein is derived from the Unaudited Consolidated Financial Results and the Audited Consolidated Financial Statements, respectively, included in this Placement Document. For further information, see "Financial Statements" on page 95. Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

*Unless stated otherwise, statistical information, industry and market data used in this section has been derived from the industry report titled "Textiles Industry in India" dated October 24, 2024, (the "**CRISIL Report**") which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL pursuant to an engagement letter dated August 7, 2024 in connection with the Issue. For details, see "Industry and Market Data" on page 12.*

INTERNAL RISK FACTORS

Risks related to our business

1. ***Our revenues from operations are substantially dependent on customers located in other geographies, and primarily in North America and any adverse developments in North America or such other geographies could adversely affect our business, results of operations, cash flows and financial condition.***

We derive a significant portion of our revenue from operations from customers located in North America. For the three months period ended June 30, 2024, and for the Fiscals 2024, 2023 and 2022, our revenue from operations from the customers located in the North America was ₹ 50,637.57 lakhs, ₹ 2,20,176.46 lakhs, ₹ 2,12,292.82 lakhs, and ₹ 2,48,733.23 lakhs, respectively, representing 75.83%, 85.44%, 86.01% and 86.32% of our revenue from operations, respectively. Further, we have four manufacturing facilities in India and have retail and distribution businesses across North America, Europe and Asia. As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations on an international scale, including:

- cost structures and language factors associated with managing and coordinating our international operations;
- compliance with a wide range of regulatory requirements, foreign laws, including immigration, labour and tax laws;
- difficulty in managing foreign operations;
- potential difficulties with respect to protection of our intellectual property rights in some countries which may result in infringement by others of our intellectual property rights;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters,
- civil disturbance, terrorist attacks, war or other military action;
- outbreaks of diseases, such as COVID-19, resulting in a widespread health crisis; and
- fluctuation in the exchange rate.

For instance, during COVID-19, our Company witnessed volatility which adversely affected our revenue and operations as our manufacturing operations were halted basis governmental directives. Further, the demand of our customers also reduced significantly due to bottlenecks in the global supply chain and unique operational challenges due to the lockdown imposed. Post COVID-19, due to the unpredictability and volatility in global supply chains along with the high inflationary impact on commodities, results in an adverse effect on our business and results of operations.

The growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new markets also will expose us to regulatory regimes with which we have no prior direct experience and expansion into new product areas, could lead to our operations becoming subject to additional or different laws and regulations. If any of these risks materialise, it could have a material adverse effect on our business, cash flows, results of operations and prospects.

Further, existing and potential competitors to our businesses may increase their focus on the North American market, which could reduce our market share. The concentration of our revenues in these markets heightens our exposure to adverse developments related to competition, as well as economic, political, regulatory and other changes. For instance, inflationary pressures in these markets, volatility in demand of our products, along with high level of cotton prices, impacted our operating performance in Fiscal 2023. As a result of which our revenue from operations decreased by 15.90% from ₹ 318,395.02 lakhs for the Fiscal 2022 to ₹ 267,774.26 lakhs for the Fiscal 2023, primarily due to sustained inflationary pressures, logistics hurdles, geo-political tensions and volatility in demand for our products in major export markets such as North America.

Political campaigns and other related transitions also bring a degree of political and social uncertainty which potentially could cause capital flows and domestic investment to become more volatile. Further, the deterioration of the financial condition or business prospects of our customers located in the North America could reduce their requirement for our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our customers located in North America, or that we will be able to significantly reduce customer concentration in the future.

2. ***We generate a significant portion of our revenues from our top 10 customers, and any loss or reduction of business from these customers could reduce our revenues and adversely affect our business, cash flows, financial condition and results of operations.***

We have derived a significant portion of our revenues from our top 10 customers which may not be the same every year. The following tables set forth revenue from our top customers in the years/ periods indicated:

Customers	Three month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(in ₹ lakhs except for percentages)							
	Revenue from Customers	Percentage to the Revenue from Operations	Revenue from Customers	Percentage to the Revenue from Operations	Revenue from Customers	Percentage to the Revenue from Operations	Revenue from Customers	Percentage to the Revenue from Operations
Top 1 Customer	18,256.27	27.34%	63,046.48	24.46%	58,861.46	23.85%	79,394.10	27.55%
Top 5 Customers	41,827.48	62.63%	1,63,754.10	63.54%	1,42,885.78	57.89%	1,83,286.81	63.61%
Top 10 Customers	53,545.48	80.18%	2,07,656.14	80.58%	1,90,650.86	77.24%	2,41,766	83.91%

Our ability to maintain relationships with our top customers and other customers is essential to the growth and profitability of our business. As we are dependent on our key customers for a significant portion of the sale of our products, the loss of such customers due to their bankruptcy may materially affect our business, cash flows and results of operations. For instance, the bankruptcy of one our key customers temporarily lead to us to utilising greater amounts of our operating working capital, thereby adversely affecting our business, results of operations and financial condition. An increase in the bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows. The volume of sales to our customers may vary due to our customers attempts to manage their inventory, market demand, product and supply pricing trends and customer preferences including based on their creditworthiness, among others, which may result in a decrease in demand or lack of commercial success of products of which we are a major supplier, which could reduce our sales and materially adversely affect our business, cash flows, results of operations and financial condition. Further, we enter into arrangements with our customers which range from 2 years to 3.5 years, which may be renewed subject to certain conditions, at the sole discretion of our Company. There can be no assurance that we will be able to renew arrangements with our customers at commercially favourable terms, or at all. If we are unable to renew arrangements with our customers or if we underestimate the market demand, we may be unable to meet customer orders and lose out on opportunities that our competitors may capitalise on. which may cause disruptions in our business and we may incur substantial costs, all of which may adversely affect our business operations.

3. ***If we are unable to anticipate or respond to changing consumer preferences, purchasing behaviour and trends pertaining to the home textile industry in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on our business, cash flows, results of operations and financial condition.***

The success of our business depends upon our ability to anticipate and identify changes in consumer preferences and offer products that appeal to consumers. We currently sell a diverse range of home fashion products, such as terry towels, bed linens and upholstery and drapery fabrics. Any significant shift in consumer preferences in home care products, as well as changing trends and shift in overall category wallet spend in the industry in which we operate could necessitate changes in our business model and product portfolio.
In the past, the Company has not faced any issue of overstocking or understocking which affected meeting consumer demand. However, any error in our forecast of our consumer demand could result in either overstocking and we may not be able to sell such surplus inventory in a timely manner or at all or understocking which will thereby affect our ability to meet consumer demand.

Additionally, newer technologies or newer manufacturing methods adopted by our competitors as well as any sustained downturn in our industry, in India and abroad could lead to a reduction in the demand for our products. We cannot assure you that we will be able to shift our business, strategic and manufacturing focus from our existing product portfolios to address such consumer and industry shifts in an optimal manner, or at all. Any such change in our business model to specifically address consumer shifts could result in diversion of time and attention of our senior management and increased operating expenses. If we are unable to respond to changes in consumer preferences in a timely manner, or at all, or if our competitors respond to such changes more effectively, our business, cash flows, results of operations and financial condition may be adversely affected.

4. ***Any increase in our raw material costs, or other input costs, or any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may have an adverse effect on our business, cash flows, results of operations and financial condition.***

The primary raw material used in our manufacturing operations is cotton. Currently, we purchase a significant portion of our cotton from the domestic market. On account of the dynamic nature of the raw materials market and prices, we do not enter into long term arrangements with the suppliers. Apart from cotton obtained from India, we also substantially import cotton from USA and Egypt for our Pimacott and Gizacott brands, respectively. Our cotton imports may be subject to foreign exchange fluctuations, political instability and any conflicts especially in USA and Egypt or any other global crisis in which these countries might be involved in. For the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022, our total cost of raw material i.e. cotton, which was imported was ₹ 1,316.24 lakhs, ₹ 16,393.73 lakhs, ₹ 17,647.48 lakhs and ₹ 33,923.05 lakhs representing 4.17%, 12.56%, 13.76% and 19.35%, respectively, of our total raw material consumed. For the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022, our Company's cost of raw materials and packing materials consumed was ₹ 31,575.83 lakhs, ₹ 1,30,521.11 lakhs, ₹ 1,28,291.08 lakhs and ₹ 1,75,271.29 lakhs, respectively. Being an agricultural commodity, the price of cotton is subject to fluctuations due to unpredictability of weather, global economic slowdowns, geopolitical tensions amongst other factors. Any increase in cotton prices may have an adverse effect on our business and a consequent negative impact on our cash flows, financial condition and results of operations. For example, if the price of cotton increases and we are not able to negotiate with our customers and brands in respect of price revisions of our products due to increase in cotton prices or pass on the hike in raw material costs, then the margins for our business will be reduced. Further, an increase in cotton prices could result in a market shift towards alternate products such as synthetic and man-made fabrics.

Any material shortage or interruption in the domestic or import supply or deterioration in quality of cotton due to natural causes or other factors could result in the failure to meet our sales obligations, which may in turn result in a loss of revenue, customers and cash flows. We usually do not enter into long term supply contracts with any of our raw material suppliers and typically place orders with them in advance of our anticipated requirements. While we have periodic contracts which average out the increase in prices, the absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require. Further, we do not generally have firm commitments for the supply of raw materials and rely on purchase orders and delivery schedules for the procurement of raw materials. We procure our raw materials through purchase orders wherein the pricing, scheduling and delivery details are set out. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us or that our suppliers can fail to deliver cotton in necessary quantities or as per the required schedule, of a specified quality/ standard/ specification, which may adversely affect our production processes thereby giving rise to contractual penalties or liabilities, loss of customers and/ or an adverse effect on our reputation. Any inability on our part to procure raw materials from alternate suppliers in a timely manner, or on terms acceptable us, may adversely affect our operations.

As we are subject to applicable laws in relation to our operations including labelling, environmental laws and manufacturing, and strict quality requirements specified in our arrangements with customers, our supplier base is limited, which exacerbates the risk of being unable to make alternative arrangements. While our suppliers have not terminated their arrangements with us at short notice in the last three Fiscals, we may be unable to find suitable alternatives in the event our suppliers terminate their engagements with us in the future. Furthermore, as we typically do not have exclusive arrangements with our suppliers, our suppliers could engage with our competitors and prioritize supplies of their other customers, which could adversely impact our ability to procure a sufficient quantity of raw materials at competitive rates.

The table below sets forth the contribution of our top 10 suppliers and our largest supplier (determined based on cost of material consumed attributable to such suppliers in Fiscal 2023) to our cost of raw material and packaging materials consumed for the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022:

	Three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
Particulars	**Amount (₹ lakhs)**	**% of cost of raw materials and packaging materials consumed**	**Amount (₹ lakhs)**	**% of cost of raw materials and packaging materials consumed**	**Amount (₹ lakhs)**	**% of cost of raw material and packaging materials consumed**	**Amount (₹ lakhs)**	**% of cost of raw material and packaging materials consumed**
Top 10 Suppliers	21,624.63	70.43%	62,183.67	43.19%	48,639.80	47.06%	1,00,627.82	61.05%
Largest Supplier	6,460.68	21.04%	16,393.73	11.39 %	17,647.48	17.08%	31,253.11	18.96%

Ultimately, our success depends on the uninterrupted supply of raw materials to our manufacturing facilities which is subject to various uncertainties and risks. A failure to maintain a continuous supply of raw materials may result in our inability to manufacture and supply products to our customers and on a timely basis which could have a material and adverse effect on our business, cash flows, results of operations and financial condition. We cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials in a cost-effective manner.

5. ***We manufacture our products in four integrated manufacturing plants across two campuses in the Southern Indian state of Karnataka, India. Any delay in production, disruptions, slowdown or shutdown in our manufacturing facilities could have an adverse effect on our business, cash flows, results of operations and financial condition.***

As of March 31, 2024, our manufacturing activities were conducted at four manufacturing facilities situated across two campuses in the state of Karnataka, India, and any significant social, political or economic disruption or natural calamities or civil disruptions or changes in the policies of this state or the local government could require us to incur significant capital expenditure and change our business strategy. If we experience delays in production or shutdowns at any or all of these facilities due to any reason, including political instability, disruptions caused by natural disasters, epidemics or disputes with the workforce, our ability to manufacture our products may be significantly affected, which in turn would have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we source the raw material and equipment we require for our manufacturing facilities from domestic and international vendors. We cannot assure you that we will be able to continue to obtain raw materials and equipment on commercially acceptable terms, or at all, or that our vendors will continue to enter into or honour their commitments. Our inability to continue to obtain raw materials and equipment, in a timely manner, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, cash flows, results of operations and financial condition.

While there has not been any significant malfunction or breakdown of our machinery in the past, we cannot assure you that such instances will not occur in the future. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same.

Further, if any regulatory body were to require one of our manufacturing facilities to cease or limit production, our business could be adversely affected. Any material disruption at our manufacturing facilities, including but not limited to power failure, fire, strikes, lock-outs and unexpected mechanical failure of equipment, could reduce our ability to meet the conditions of our contracts and earnings for the affected period, which could in turn affect our business, cash flows, results of operations and financial condition.

While we have not experienced any material disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, cash flows, results of operations and financial condition. Additionally, while we occupy and operate our facilities on land leased to us and on land owned by us, our title to such key business properties may be challenged, which may disrupt our operations.

6. ***We manufacture and distribute home textile products worldwide. Any inability to expand or successfully compete with our competitors in terms of wider product portfolio, brand recognition and marketing or inability to effectively manage our growing distribution and sales network may have an adverse effect on our business, cash flows, results of operations and financial condition.***

As an integrated business, we manufacture and distribute home textile products across markets worldwide. Our distribution capabilities are powered by brands (owned and licensed) and private label portfolios that service over 117 export clients across 35 countries worldwide. We reach consumers across retail platforms and channels globally, with collaborations with more than more than 2,286 multi-brand outlets and 26 channel partners, as of the three months period ended June 30, 2024.

Some of our home care products are sold to retail end-consumers through exclusive distributors, who resell our products at pre-determined margins to retail dealers at multi-branded outlets. For further details, see "*Our Business*" on page 306. As we expand our distribution network, we cannot assure you that we will be able to successfully identify and appoint new distributors or effectively manage our existing distribution network. If the terms offered to such distributors by our competitors are more favourable than those offered by us, or if they have exclusive arrangements with our competitors, distributors may decline to engage with us and may terminate their arrangements with us. Furthermore, our agreements with our distributors and dealers are typically valid for a period of up to 3.5 years, and renewable for subsequent terms. On expiry of their terms, we may be unable to appoint replacement distributors and dealers in a timely manner, or at all, which may reduce our sales volumes and adversely affect our business, cash flows, results of operations and financial condition.

We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. If our distributors fail to distribute our products in a timely manner, or adhere to the terms of the distribution agreement, or if our distribution agreements are terminated, our business, cash flows and results of operations may be adversely affected.

We export home fashion products such as terry towels, bed linen, drapery and upholstery fabrics to retailers, importers and institutional customers across the world. We also export home fashion products to retailers, importers and institutional customers globally. Accordingly, our ability to maintain and increase our revenue from sale of our home cotton products is significantly dependent on our relationships with our customers. If our competitors in the business adopt wider product portfolio, improve their brand recognition**,** adopt better marketing strategies, offer more competitive rates and more favourable terms of sale to our existing customers, our business and revenues from sale of home cotton products could be adversely affected.

Further, recently we have introduced new brands in the Indian home textile market. As a relatively new entrant, our competitors in the domestic market may have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships domestically, greater brand recognition. We cannot assure you that we will be able to establish our brands which consequently could result in slower growth, increased costs, and/or lower net profits.

7. ***Any deterioration in the public perception of the products sold by our customers could materially and adversely impact our reputation, business, financial condition, cash flows and results of operations.***

Our success is dependent upon public perception and recognition of the quality associated with the home products sold by our customers. Since our customers rely on us for the quality of their products, we could suffer reputational damage if there are any quality concerns regarding the products our customers sold. Any loss of confidence on the part of our customers would be difficult and costly to re-establish**.** Further, the Company may gain or lose market share with customers in their ordinary course of business based on pricing.

The public perception of our customers may also be affected by several other factors, such as:

- Decline in the quality of our products or other products sold by them;
- Occurrence of accidents or injuries, natural disasters, crime or similar events at their stores and/or factory outlets;
- Competition; and
- Negative reviews of their store and/or brands.

If the perceived quality of the brands of our customers declines, or if their reputation is damaged, our business, financial condition, cash flows and results of operations could be adversely affected. Maintaining and enhancing our brand image also may require us to make additional investments in areas such as advertising and sales promotion and digital advertising. These investments may be substantial and may not ultimately be successful. There is no assurance that we will be able to effectively promote or develop our brand, and if we fail to do so, the goodwill of our brand may be undermined and our business as well as our financial results may be adversely affected.

8. ***Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

We operate four manufacturing facilities in India. Our capacity utilization across our four manufacturing facilities for the Fiscal 2024, Fiscal 2023, Fiscal 2022 for sheeting division was 67%, 57% and 80%, respectively, for terry division it was 67%, 60% and 70% for drapery and upholstery division it was 55%, 52%, and 55% and for spinning division was 93%, 80% and 95%. For further details on our manufacturing facilities, see "*Our Business*" on page 306.

Our ability to maintain our profitability depends on our ability to maintain high levels of capacity utilization. Capacity utilization is affected by our product mix, our ability to accurately forecast customer demand, to carry out uninterrupted operations, the availability of raw materials, and industry/ market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our facilities including due to interruptions in the supply of fuel, electricity or as a result of labor unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

If we are unable to source new orders for production at such facility, we may experience losses due to the idle capacity on account of the high fixed production costs. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance. While we have been increasing our overall capacity utilization in the last three fiscals, under-utilization of our existing manufacturing facilities may arise due to various reasons such as changes in demand for our products and supply chain disruptions, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows

9. ***We have significant power and fuel requirements and any disruption to the supply of power and fuel could disrupt our manufacturing operations and increase our production costs, which could adversely affect our results of operations.***

We require substantial power and fuel to operate our manufacturing facilities and energy costs represent a key component of the production costs for our operations. If energy costs were to continue to rise, or if electricity or fuel or supply arrangements were disrupted, our manufacturing operations could be disrupted, and our profitability could decline. The table below sets forth our power and fuel costs for the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022:

Particulars	Three month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ lakhs)	% of cost of total revenue from operations	Amount (₹ lakhs)	% of cost of total revenue from operations	Amount (₹ lakhs)	% of cost of total revenue from operations	Amount (₹ lakhs)	% of cost of total revenue from operations
Power and Fuel	6,302.82	8.57	25,617.57	9.02	23,103.97	8.62	26,250.79	8.24

We source most of our electricity requirements for our manufacturing operations from the state electricity board and have entered into power purchase agreements with third-party suppliers**.** The cost of electricity from third-party suppliers could be significantly higher, thereby increasing our cost of production and adversely affecting our profitability. In the event of a supply disruption from state electricity boards and third-party suppliers, we will need to rely on captive generators to ensure uninterrupted supply, which may not be able to consistently meet our requirements and may also have additional cost implications that we may be unable to pass on to our customers.

Furthermore, if our generators are unable to support our operations, we may need to shut down our facilities until an adequate supply of electricity is restored. While there have been no instances of shutdowns in the manufacturing operations of our Company in the last three fiscals the occurrence of any such event in the future could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects.We are also subject to potentially significant inflationary pressures on fuel costs and if fuel costs continue to rise and if we are unable to pass on these increased costs to our customers, our profitability could decline.

We are also subject to price risk due to scarcity of supply or if electricity access is not available, our manufacturing operations may be disrupted. Frequent production shutdowns lead to increased costs associated with restarting production and corresponding loss of production, any of which would adversely affect our results of operation and financial condition. While we have not in the past experienced any interruptions to our power or fuel there is no guarantee that interruptions would not occur due to any events unforeseen by us.

10. ***Any inability to protect our intellectual property or claims that we infringe on the intellectual property rights of others, could have a material adverse effect on us***.

As of June 30, 2024, we own 130 registered trademarks across various jurisdictions including India, United States, United Kingdom, Italy, Canada, and Mexico. Further, we own six patents in the United States of America for fitted mattress cover and ornamental design for fitted mattress cover. Additionally, from time to time, we also obtained trademark registrations in certain foreign jurisdictions where our products are sold such as the United States of America, Canada, the United Kingdom Mexico, Italy and the European Union. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, since we have operations in several countries and may not be able to respond to infringement or passing off activity occurring without our knowledge. Historically, our applications to register trademarks, such as "*Homegrown*", and "*Sleepsafe*" were rejected on the basis of Section 9(1) (b) and Section 11(1) of the Trademarks Act 1999.

Our failure to register or protect our intellectual property rights may lead to certain proprietary knowledge being leaked, either inadvertently or willfully, at various stages of the production process. In the event that confidential, technical or proprietary information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies could be compromised. Moreover, our existing trademarks and patents may expire, and there can be no assurance that we will renew them after expiry. We cannot assure you that we will successfully obtain or protect certain intellectual property and any such failure could have an adverse effect on our business, financial condition, cash flows and results of operations.

11. ***We require certain material approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our business, financial condition, cash flows and results of operations.***

We are required to obtain and maintain certain material statutory and regulatory licenses, permits and approvals for carrying out our business and for each of our manufacturing facilities under various central, state and local governmental rules and regulations in India such as consent to operate under Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016. The manufacture, storage, marketing and sale of our products require several regulatory approvals, including but not limited to, the authorizations under Factories Act, authorization by Karnataka State Pollution Control Board, authorization under Petroleum and Explosives Safety Organisation (PESO) and registrations under. A majority of these approvals are granted for a limited duration and require renewal.
While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. We cannot assure you that the renewals to such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected.

Further, the licenses, permits and approvals required by us are subject to several conditions and we cannot assure you that we will be able to continuously meet such conditions, which may lead to cancellation, revocation or suspension of the relevant licenses, permits and approvals. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased compliance costs, be subject to penalties, have our licenses, approvals and permits revoked or suffer a disruption in our operations, any of which may materially adversely affect our business, cash flows and results of operations.

12. ***Our international sales and operations are subject to regulatory, tax and market uncertainties and we are exposed to foreign currency exchange rate fluctuations.***

Although our reporting currency is the Indian Rupee, we enter into transactions involving foreign currency including earning revenue from certain customers and incurring finance costs on our foreign currency borrowings. We are subject to risks inherently associated with international operations, including risks associated with foreign currency exchange rate fluctuations, which may cause volatility in our reported income, and risks associated with the application and imposition of protective legislation and regulations relating to import or export or otherwise resulting from foreign policy or the variability of foreign economic conditions.

Although in order to minimize our exposure to fluctuations in foreign currency exchange, we have a hedging policy, there can be no assurance that our hedging measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian rupee against the USD, Euro or GBP, or other foreign currencies in which we may transact business in the future.

The table below sets forth the details in respect of outstanding foreign exchange forward contracts in relation to sell contracts for the periods indicated:

Particulars	**Three months ended June 30,2024**			**Fiscal 2024**			**Fiscal 2023**			**Fiscal 2022**		
	In Foreign Currency in (million)	**₹ lakhs**	**MTM (₹ lakhs)**	**In Foreign Currency in (million)**	**₹ lakhs**	**MTM (₹ lakhs)**	**In Foreign Currency in (million)**	**₹ lakhs**	**MTM (₹ lakhs)**	**In Foreign Currency in (million)**	**₹ lakhs**	**MTM (₹ lakhs)**
In USD	91.22	76,821.56	334.75	118.30	99,486.00	197.27	42.21	34,244.41	(594.87)	230.39	1,78,974.63	1,033.98

The table below sets forth the details in respect of outstanding foreign exchange forward contracts in relation to buy contracts for the periods indicated:

Particulars	Three months ended June 30, 2024			Fiscal 2024			Fiscal 2023			Fiscal 2022		
	In Foreign Currency in (million)	₹ lakhs	MTM (₹ lakhs)	In Foreign Currency in (million)	₹ lakhs	MTM (₹ lakhs)	In Foreign Currency in (million)	₹ lakhs	MTM (₹ lakhs)	In Foreign Currency in (million)	₹ lakhs	MTM (₹ lakhs)
In USD	Nil	Nil	Nil	1.49	1,248.50	(0.55)	4.54	3,769.62	(12.09)	5.37	4,131.95	(9.92)
In Euro	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.76	663.33	(5.66)

As we provide products to customers throughout the world, we are subject to numerous, and sometimes conflicting, legal rules on matters as diverse as import/export controls, content requirements, trade restrictions, tariffs, taxation, sanctions, government affairs, internal and disclosure control obligations, transfer pricing, data privacy and labour relations, particularly in India where we operate.

As significant portion of our manufacturing operations are located in India and domestic laws and regulations that are applicable to us, but not to our competitors, may impede our ability to develop and offer services that compete effectively with services offered by our non-India based competitors and services generally available worldwide. With respect to our international operations, violations of laws or regulations in the conduct of our business could result in fines, prohibitions on doing business, damage to our reputation and other unintended consequences such as liability for monetary damages, fines and/or unfavourable publicity, restrictions on our ability to process information and allegations by our customers that we have not performed our contractual obligations. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws might be insufficient to protect our rights. Our failure to comply with applicable legal and regulatory requirements could materially adversely affect our business, cash flows, financial condition and results of operations.

Additional risks associated with international operations include difficulties in enforcing intellectual property and/or contractual rights, the burdens of complying with a wide variety of foreign laws, potentially adverse tax consequences, tariffs, quotas and other barriers and potential difficulties in collecting accounts receivable. In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations. Additionally, such competitors may have long-standing or well-established relationships with customers, which may put us at a competitive disadvantage. We may also face difficulties integrating new operations in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. There can be no assurance that these and other factors will not impede the success of our international expansion plans, limit our ability to compete effectively in other countries or otherwise materially adversely affect our business, cash flows, financial condition and results of operations.

13. ***Our markets are highly competitive, both globally and domestically, and if we are unable to compete successfully against existing or new competitors, our revenues could decline and our future profitability could be affected.***

The industry in which we operate is highly competitive. We compete with regional companies, as well as multi-national companies that are larger and have substantially greater resources than we do. We also face competition from leading textile manufacturers in India such as Alok Industries Ltd, Bombay Dyeing and Manufacturing Company Limited, Trident Limited and Welspun Living. [(*Source: CRISIL Report*)]. Further, we also face increasing competition from manufacturers from low-cost manufacturing countries or countries enjoying preferential treatment in major export destinations such as China, Pakistan, Indonesia and Bangladesh. In relation to these manufacturers, they may be able to provide cost competitiveness due to various factors such as favourable trade agreements, lower labour and power costs as well as lower lending rates. This preferential treatment in major export nations which some of our competitors enjoy, may result in e a lower cost of production and therefore, their products may be more price competitive both in international and domestic markets. We also face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. Competition in our business can be based on, among other things, pricing, innovation, greater access to capital, perceived value, brand recognition, new product introductions and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas.

We expect competition to continue to be intense as our existing competitors may expand their operations and introduce new products. Our failure to compete effectively, including any delay in responding to changes in the industry and market, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. Our competitors in certain regions may also have better access or exclusive arrangements to procure raw materials required in our operations and may procure them at lower costs than us, and consequently be able to sell their products at lower prices. Our competitors may be larger than us, may have significantly greater financial resources, may benefit from greater economies of scale and operating efficiencies, may benefit from government subsidies, and/or may also have a broader product range less affected by cyclical downturns. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

Some of our competitors may be able to price their products more attractively or may be able to distribute their products more effectively through establishing distribution networks, or may have greater access to capital, research and development, marketing and other resources. Our inability to remain sufficiently competitive or adjust to structural changes will adversely and materially affect our business and operating results.

14. ***Timely and successful implementation of our contracts, including our business arrangements, is dependent on our performance. Delay or failure in delivery of our products may adversely affect our business, financial condition, cash flows and results of operations and may lead us to incur legal liability, including with respect to our indemnification obligations.***

Contracts with our customers and brands require us to supply our products in compliance with specific delivery schedules. Our failure to adhere to contractually agreed timelines may have the following consequences:

- delayed payment to us for our products;
- imposition of penalties;
- reduction in profit share payments due to us;
- reimbursement of milestone payments by us;
- indemnification by us for the loss suffered by our customer arising out of defects in the products supplied by us or delay in shipments;
- termination due to breach;
- claims may be brought against us for losses suffered as a result of our non-performance; and
- our reputation may be damaged.

Failure on our part to deliver our products on a timely basis or at all, for any reason, could result in one or more of the above listed consequences, which in turn may adversely affect our business, financial condition, cash flows and results of operations. Our licensing and supply agreements with business partners contain provisions that require us to provide such partners with certain quantities of our products. Any interruption in the supply by third party suppliers of raw materials or any disruptions in production at our manufacturing facilities could result in our failure to supply certain quantities of our products and breach of our contractual obligations with such partners. Should we fail to meet specified supply levels, our business, financial condition, cash flows and results of operations may be adversely affected.

Further, if we fail to meet our contractual obligations or otherwise breach obligations to our customers, we could be subject to legal liability. If we cannot or do not perform our obligations, we could face legal liability and our contracts might not always protect us adequately through limitations on the scope and/or amount of our potential liability. If we cannot, or do not, meet our contractual obligations to provide solutions and services, and if our exposure is not adequately limited through the terms of our agreements, we might face significant legal liability and our business could be materially adversely affected.

Some of our arrangements with third parties may contain indemnification clauses in favour of customers or other third parties. While we have not incurred any material costs under such agreements from such parties for the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022. If events arise requiring us to make payment for indemnification claims under our indemnification obligations in contracts we have entered, such payments could have a material impact on our business, cash flows, financial condition and results of operations.

15. ***We are subject to strict quality requirements, regular inspections and audits, and the success and acceptability of our products is largely dependent upon our quality controls and standards.***

Our customers maintain strict quality standards that includes strict qualification and certification procedures. Given the nature of our products, adherence to quality standards is a critical factor in our manufacturing process. Our products go through various quality checks at various stages at our manufacturing facilities. Failure of our products to meet the quality standards expected by our customers may result in rejection of our products.

Further, any failure to make timely deliveries of products in the desired quantity as per our customers' requirements could also result in the cancellation of orders placed by our customers and may adversely affect our reputation and goodwill. Additionally, prior to placing the orders, there is a detailed audit and review process that is undertaken by certain customers (which may be undertaken multiple times over a period). Our manufacturing facility is also subject to periodic audits by our customers. This may involve inspection of the manufacturing facility, review of the manufacturing processes, review of the raw materials, review of our financial capabilities, technical review of the specification of the proposed product, and reviews of our product. If we fail to perform our services in accordance with best practices, such as adherence to market spending, sale of products to authorised customers and/or our customers deem the quality of our facilities unsatisfactory in any manner, our reputation could be harmed and our customers may terminate and/or refuse to renew their contracts with us.

In the event our products do not comply with the specifications provided by the customer or in the event of a product recall or in case our supplies may be rejected, which may in turn result in a materially adverse impact on our business, financial conditions, cash flows and results of operations.

We face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality control problems. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are costly. Any loss of our reputation or brand image may lead to a loss of existing business contracts and affect our ability to enter additional business contracts in the future, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

16. ***We have significant working capital requirements. If we experience insufficient cash flows to fund our working capital requirements or if we are not able to provide collateral to obtain bank guarantees, and performance bonds in sufficient quantities, there may be an adverse effect on our business, cash flows and results of operations.***

Our business requires significant working capital including in connection with our manufacturing operations and subsequent production. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes, additional market developments and new opportunities in our industry.

Our sources of additional financing, where required to meet our working capital needs, may include either raising debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions. In addition, to the extent we receive credit ratings in respect of any of our future borrowings and subsequent downgrade in those credit ratings shall increase interest rates for our future borrowings, which would increase our cost of borrowings and adversely affect our ability to borrow on a competitive basis. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders.

In many cases, a significant amount of our working capital is required to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, and have in the past resulted, in increases in the amount of our receivables and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition. Any such situation would adversely affect our business, cash flows and results of operations.

17. ***We have entered into licensing agreements with certain global brand owners for the use of their brand names on an exclusive basis, in connection with the importation, distribution, promotion, and sale of licensed products on a wholesale basis. These agreements with global brand owners, inter alia, contain certain performance obligations and are also capable of being terminated. The termination or non-renewal of any of these agreements may have a material adverse effect on our business, cash flows and the result of operations.***

We have entered into agreements with the brands owners of certain international brands, pursuant to which we sell, distribute defined set of licensed products which include fashion bedding such as comforters, duvets, print sheets, bath accessories such as bath sheets, bath towels, hand towels etc. using such brands in defined territories. These agreements provide us with the exclusive rights to distribute such products. While we strive to enter into long term agreements with brand owners, our current agreements with the brand owners have tenure of up to three years and with an extension of additional 3 years. These agreements normally contain certain performance obligations to be observed by us including minimum sales commitment, minimum royalty payable or minimum advertising spent or minimum advertising fees payable or procurement model etc. If we fail to honour or meet such performance obligations due to any reason whatsoever, such agreements may not be continued or renewed by the brand owners. If our agreements are not renewed or are renewed on the terms and conditions that are not favourable to us, our business, financial condition, cash flows and results of operation may be adversely affected.

Further, these agreements also allow the brand owners to terminate such agreements with written notice for a specified period or upon the occurrence of certain events if not cured within a specific period, such as failure to attain minimum sales commitment, our inability to perform or observe any term and covenant contained in the agreements, use of any unapproved advertising or promotional material, uses of a manufacturer, contractor, subcontractor or supplier for our products that has not been approved by the brand owners, any unreported sales, and our inability to cure such failure to report sales, misuse of trademarks of the brand owners, default under any other agreement to which we are parties, and such agreement is terminated due to such default etc. These agreements also include indemnity provisions whereby we agree to defend and hold the indemnified party and certain of their affiliates harmless with respect to claims related to matters including but not limited to breach of certain representations, warranties or covenants made by us, or out of our intellectual property infringement, our gross negligence or wilful misconduct.

In the event that the brand owner(s) exercise their right to terminate such agreements and/or not to renew on the terms and conditions acceptable to us, it may have a material adverse effect on our business, cash flows and result of operations.

18. The impact of production slowdowns/ breakdown in a single product may adversely affect our operations and profitability in connection with the other products in the textile value chain due to the integrated nature of our textile manufacturing business.

We have a vertically integrated textile business wherein we design, develop, manufacture and distribute a suite of textile products. We have four manufacturing facilities situated across two campuses in the state of Karnataka, India. Our manufacturing facilities are engaged in production of an array of home textiles such as Bedding Products, Bath Products, Cotton Yarn Products and Drapery and Upholstery Products**.** For further details, please see "*Our Business*" on page 306.

As our products are used in a manufacturing chain in which raw cotton through a series of intermediate processes, results in fabric; adverse effects on any stage potentially can have indirect effects on all of our other production processes. Accordingly, any slowdown in production or sales of such products may adversely affect the production and the results of our operations from other products. For example, if the production of yarn is affected due to any reason such as machinery breakdown, the production of fabric may be similarly affected. Moreover, increased costs in any one segment of our business may affect the profitably of the other segments. For example, although an increased price of yarn would typically benefit the results of our operations in connection with manufacture of yarn, but our profitability in connection with fabric could be adversely affected, since yarn is the principal raw material for the manufacture of fabrics.

19. Our Statutory Auditors have included certain emphasis of matter, and/or certain qualifications or adverse remarks of the statutory auditors in respect of certain entities in our Group on certain matters specified in the Companies (Auditor's Report) Order, 2020 ("CARO"), in their reports on our audited consolidated financial statements for Fiscals 2022, 2023 and 2024.

Our statutory auditors have included the following emphasis of matter in their audit reports on our audited consolidated financial statements for Fiscals 2022, 2023 and 2024.These are as follows:

Fiscal (standalone/ consolidated Financial information)	**Details of reservation, qualification or adverse remarks**	**Details of impact on financial Statements and financial position of the Company**	**Corrective steps taken and/or proposed to be taken by the Company**
Consolidated financial statements for the year ended 31st March 2024	Under the matters to be included in the report on other legal and regulatory requirements in the independent auditors report on the consolidated financial statements for the year ended 31st March 2024, the auditors have reported the following under clause 1(h)(vi): "***In regard to SAP S4 HANA:*** ***Based on our examination, except for the instances mentioned below, the Holding Company and 1 subsidiary company, incorporated in India have used an accounting software for maintaining their respective books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, and further, we did not come across any instance of audit trail feature being tampered with at application level.*** ***In respect of Holding Company and 1 subsidiary company, the accounting software used by these companies for maintaining their books of account for the year ended March 31, 2024 had the feature of recording audit trail (edit log) facility. However, audit trail feature was not enabled and operated with respect to certain relevant transactions throughout the year at application level, and was not enabled throughout the year at the database level to log any direct data changes."***	NA	The Company is in the process of enabling audit trail at data base level

<table>
<tr><th>Fiscal (standalone/ consolidated Financial information)</th><th>Details of reservation, qualification or adverse remarks</th><th>Details of impact on financial Statements and financial position of the Company</th><th>Corrective steps taken and/or proposed to be taken by the Company</th></tr>
<tr><td>Consolidated financial statements for the year ended 31st March 2024</td><td>Under the matters to be included in the report on other legal and regulatory requirements of the independent auditors report on the consolidated financial statements for the year ended 31st March 2024, the auditors have reported the following under clause 3:

"According to the information and explanations given to us, the details of qualification in the Companies (Auditor's report) order 2020 ('CARO') report issued by us for the Holding company and our CARO report on subsidiary company incorporated in India issued till the date of our report in the consolidated financial statements are as follows:

<table>
<tr><th>Sr. No.</th><th>Name of the Company</th><th>CIN</th><th>Type of Company (Holding/ Subsidiary)</th><th>Clause number of the CARO report which is qualified</th></tr>
<tr><td>1</td><td>Himatsingka Seide Limited</td><td>L17112KA1985PLC006647</td><td>Holding Company</td><td>Clause (i)(c)
Clause (vii)(a)</td></tr>
</table></td><td>NA</td><td>Clause (i)(c):

Property will be transferred in the name of the Company expiry of lease period

Clause (vii)(a):

The Company has taken the steps to remit statutory dues with in the time limit</td></tr>
<tr><td>Standalone financial statements of the Company for the year ended 31st March 2024</td><td>Adverse remark included in the report as required by Companies (Auditor’s report) order, 2020 issued by the Central government of India in terms of sub-section-11 of Section 143 of the Companies Act 2013.
<table>
<tr><th>Sr. No.</th><th>Description of Property</th><th>Gross carrying value (₹ in lacs)</th><th>Held in the name of</th><th>Whether promoter, director or their relative or employee</th><th>Period held - Indicate range, where appropriate</th><th>Reason for not being held in of Company (also indicate if in dispute)</th></tr>
<tr><td>1</td><td>Land</td><td>6,585.19</td><td>KIADB</td><td>No</td><td>Various periods</td><td>Property will be transferred in the name of the Company expiry of lease period</td></tr>
<tr><td colspan="7">B. Clause (vii)(a)</td></tr>
</table>
A. Clause i (c):

“According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the standalone financial statements, are held in the name of the Company, except for the immovable properties acquired through a lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') amounting to ₹ 6,585.19 lacs.</td><td>NA</td><td>Clause i (C)

Property will be transferred in the name of the Company expiry of lease period

Clause (vii)(a):

The Company has taken the steps to remit</td></tr>
</table>

<table>
<tr><th>Fiscal (standalone/ consolidated Financial information)</th><th>Details of reservation, qualification or adverse remarks</th><th>Details of impact on financial Statements and financial position of the Company</th><th>Corrective steps taken and/or proposed to be taken by the Company</th></tr>
<tr><td></td><td>“According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there have been slight delays in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.”</td><td></td><td>statutory dues with in the time limit</td></tr>
<tr><td>Standalone financial statements for the year ended 31st March 2024</td><td>Under the matters to be included in the report on other legal and regulatory requirements in the independent auditor’s report on the consolidated financial statements for the year ended 31st March 2024, the auditors have reported the following under clause 2(h)(vi):

“In regard to SAP S4 HANA:

Based on our examination, except for the instances mentioned below, the Holding Company and 1 subsidiary company, incorporated in India have used an accounting software for maintaining their respective books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, and further, we did not come across any instance of audit trail feature being tampered with at application level.

In respect of Holding Company and 1 subsidiary company, the accounting software used by these companies for maintaining their books of account for the year ended March 31, 2024 had the feature of recording audit trail (edit log) facility. However, audit trail feature was not enabled and operated with respect to certain relevant transactions throughout the year at application level, and was not enabled throughout the year at the database level to log any direct data changes.”</td><td>NA</td><td>The Company is in the process of enabling audit trail at data base level</td></tr>
<tr><td>Consolidated financial statements for the year ended 31st March 2023</td><td>Under the matters to be included in the report on other legal and regulatory requirements of the independent auditors report on the consolidated financial statements for the year ended 31st March 2023, the auditors have reported the following under clause 3 :

“According to the informations and explanations given to us, the details of qualification in the Companies (Auditor's report) order 2020 ('CARO') report issued by us for the Holding company and our CARO report on subsidiary company incorporated in India issued till the date of our report in the consolidated financial statements are as follows”

<table>
<tr><th>Sr. No.</th><th>Name of the Company</th><th>CIN</th><th>Type of Company (Holding/ Subsidiary)</th><th>Clause number of the CARO report which is qualified</th></tr>
<tr><td>1</td><td>Himatsingka Seide Limited</td><td>L17112KA1985PLC006647</td><td>Holding Company</td><td>Clause (ii)(b)
Clause (vii)(a)</td></tr>
</table></td><td>There is no impact on financial statements.</td><td>NA</td></tr>
<tr><td>Standalone financial statements for the year ended 31st March 2023</td><td>Adverse remark included in the report as required by Companies (Auditor’s report) order, 2020 issued by the Central government of India in terms of sub-section-11 of Section 143 of the Companies Act 2013.

A. Clause ii (b)

The Company has been sanctioned working capital limit in excess of Rs. 5 Crores in aggregate from banks/financial institutions on the basis of security of current assets. Quarterly returns/ statements are filed with such banks/ financial institutions which are not in agreement with the books of account. Details of the same are as below:</td><td>There is no impact on the financial statements.</td><td>NA</td></tr>
</table>

<table>
<tr><th>Fiscal (standalone/ consolidated Financial information)</th><th>Details of reservation, qualification or adverse remarks</th><th>Details of impact on financial Statements and financial position of the Company</th><th>Corrective steps taken and/or proposed to be taken by the Company</th></tr>
<tr><td></td><td>
(Amount in Rs. Lakhs)
<table>
<tr><th>Quarter ended</th><th>Amount as per quarterly returns</th><th>Amount as per books of accounts</th><th>Difference</th></tr>
<tr><td>December 31, 2022- Inventories</td><td>26,321.62</td><td>28,542.14</td><td>2,220.52</td></tr>
<tr><td>December 31, 2022- Trade Receivables</td><td>1,04,564.36</td><td>1,18,112.92</td><td>13,548.56</td></tr>
<tr><td>December 31, 2022- Trade Payables</td><td>51,195.23</td><td>57,942.48</td><td>6,747.25</td></tr>
</table>
B. Clause (vii)(a)
“According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there have been slight delays in a few cases.
There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and other statutory dues in arrears as at March 31, 2023, outstanding for a period of more than six months from the date they became payable.
</td><td></td><td></td></tr>
<tr><td>Consolidated financial statements for the year ended 31st March 2022</td><td>
Under the matters to be included in the report on other legal and regulatory requirements of the independent auditor’s report on the consolidated financial statements for the year ended 31st March 2022, the auditors have reported the following under Clause (xxi) of Annexure A:
"In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavorable remarks given by the respective auditors in their reports under the Companies (Auditor’s Report) order 2020:
<table>
<tr><th>Sr. No.</th><th>Name of the Company</th><th>CIN</th><th>Type of Company (Holding/ Subsidiary)</th><th>Clause number of the CARO report which is qualified</th></tr>
<tr><td>1</td><td>Himatsingka Seide Limited</td><td>L17112KA1985PLC006647</td><td>Holding Company</td><td>Clause (ii)(b)</td></tr>
</table>
</td><td>There is no impact on financial statements.</td><td>NA</td></tr>
<tr><td>Standalone financial statements for the year ended 31st March 2022</td><td>
Adverse remark included in the report as required by Companies (Auditor’s report) order, 2020 issued by the Central government of India in terms of sub-section-11 of Section 143 of the Companies Act 2013.
A. Clause ii (b):
The Company has been sanctioned working capital limit in excess of Rs. 5 Crores in aggregate from banks/financial institutions on the basis of security of current assets. Quarterly returns/ statements are filed with such banks/ financial institutions which are not in agreement with the books of account. Details of the same are as below:
(Amount in Rs. Lacs)
</td><td>There is no impact on financial statements.</td><td>NA</td></tr>
</table>

Fiscal (standalone/ consolidated Financial information)	Details of reservation, qualification or adverse remarks	Details of impact on financial Statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company

Quarter	Particulars	Amount as per books of accounts	Amount reported in the quarterly statement	Amount of difference	Whether statement subsequently rectified	Name of the Bank
Qtr 1	(a)Inventories	35,177	33,428	1,749	No	Canara Bank, The HSBC Ltd., IndusInd Bank ltd., Axis Bank, Kotak Bank, RBL Bank, DCB Bank Ltd., Yes Bank Ltd., Karur Vysya Bank Ltd., IDBI bank Ltd., Bank of India, HDFC bank ltd., Bank of Maharashtra
Qtr 1	(b) Trade Receivable	74,644	74,841	(197)	No	
Qtr 1	(c)Subsidy receivable under various government schemes, Interest subsidy receivable and balances with government authorities	32,337	-	32,337	No	
Qtr 1	(d)Trade Payables	58,479	25,254	33,225	No	
Qtr 1	Net (a+b+c-d)	83,679	83,015	664		
Qtr 2	(a)Inventories	41,190	40,619	571	No	
Qtr 2	(b) Trade Receivable	73,341	70,186	3,155	No	
Qtr 2	(c)Subsidy receivable under various government schemes, Interest subsidy receivable and balances with government authorities	38,648	-	38,648	No	
Qtr 2	(d)Trade Payables	54,489	22,617	31,872	No	
Qtr 2	Net (a+b+c-d)	98,690	88,188	10,502		
Qtr 3	(a)Inventories	41,510	40,864	646	No	
Qtr 3	(b) Trade Receivable	83,319	68,093	15,226	No	
Qtr 3	(c)Subsidy receivable under various government schemes, Interest subsidy receivable and balances with government authorities	36,643	-	36,643	No	
					(Amount in Rs. Lacs)	
Qtr 3	(d)Trade Payables	59,673	20,213	39,460	No	
Qtr 3	Net (a+b+c-d)	1,01,799	88,744	13,055		
Qtr 4	(a)Inventories	41,101	41,380	(279)	No	

Fiscal (standalone/ consolidated Financial information)	Details of reservation, qualification or adverse remarks						Details of impact on financial Statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
	Qtr 4	(b) Trade Receivable	95,139	84,330	10,809	No		
	Qtr 4	(c)Subsidy receivable under various government schemes, Interest subsidy receivable and balances with government authorities	42,765	-	42,765			
	Qtr 4	(d)Trade Payables	64,855	20,540	44,345			
	Qtr 4	Net (a+b+c-d)	1,14,210	1,05,170	8,950			

The opinion of our statutory auditors is not modified in respect of these matters. There is no assurance that our audit reports for any future fiscal periods will not contain qualifications, emphasis of matter or other observations which could affect our results of operations.

20. ***Our Company was incorporated in 1985 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.***

We are unable to trace some of our historical records, including the form filings made with the RoC. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. Despite conducting internal searches and engaging an independent practicing company secretary, i.e. M/s Manjunath Ganesh & Associates, to conduct a physical search of our records at the RoC, we have not been able to trace the following documents. We are unable to trace certain corporate filings such as Form 2 for the allotments dated June 29, 1985, March 8, 1986, November 22, 1986, May 26, 1993, October 20, 1993, December 23, 1993, March 30, 1994, May 21, 1994, October 1, 1994, May 26, 1994, October 4, 1995, July 28, 1995, March 18, 1996, March 12, 1998 and October 18, 1999. Further, we are unable to trace the valuation reports for the rights issue undertaken by our Company on May 26, 1993 and the further allotment dated May 26, 1994. We are also unable to trace the board resolutions authorizing the issue of (i) 1,12,600 equity shares allotted on June 29, 1985; and (ii) 4,99,900 equity shares allotted on March 8, 1986.

Additionally, in relation to the rights issue dated May 26, 1993, 200, 350, 50, 500 and 200 Equity Shares that were earlier kept in abeyance in relation were later allotted on October 20, 1993, December 23, 1993, March 30, 1994, July 28, 1995 and March 18, 1996, respectively, at an issue price of ₹ 50.00 per equity share. However, we are unable to trace the valuation reports and the form filings for these allotments that would indicate the issue price.

Further, our Company is unable to trace Form GDR for the allotment of 20,964,360 Equity Shares underlying the Global Depository Receipts dated December 21, 2005. While the Company has sent an email to the relevant authorised dealer bank and the RBI, the Form GDR is not traceable. Our Company has written to HSBC Bank, the authorized dealer bank, requesting the bank to trace the form filings vide its email dated August 14, 2024.

While certain information in relation to these allotments has been disclosed in the section "*Capital Structure*" on page 90 based upon the minutes of the meetings on the Board of Directors, along with the details provided in the search report dated October 24, 2024 prepared by M/s Manjunath Ganesh & Associates , Practicing Company Secretary. We may not be able to furnish any further information, other than what is already disclosed in "*Capital Structure*" on page 90.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings and statutory lapses as of the date of this Placement Document, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records. While the amount of penalty is not likely to be material, the actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company.

21. Some of our business operations are being conducted on leased premises from state specific development authorities. Our inability to seek renewal or extension of such leases may adversely affect our business operations.

We operate four integrated manufacturing facilities spread over two campuses located in the state of Karnataka, India. We have entered into lease and sale agreements for our facilities situated in Hassan, Karnataka, wherein we are required to, among other things, to utilize the land for the specified end-use, permit the relevant state industrial development board to inspect our premises at reasonable times and provide a minimum number of jobs to local families. In addition, we are required to obtain the approval of the relevant state industrial development board for, among other things: (i) any modifications to existing buildings or structures; (ii) sub-lease of the property or transfer of leasehold rights; or (iii) any change in our Company's constitutional documents. Furthermore, under the lease agreements with the Karnataka Industrial Areas Development Board ("**KIADB**"), dated January 3, 2007, December 3, 2008 and June 14, 2011, our original promoter directors/ shareholders are required to hold a minimum of 40% interest/ shareholding in our Company, while under the three lease agreements dated June 28, 2017, each, our original promoter directors/ shareholders are required to hold a minimum of 51% interest/ shareholding in our Company.

In 2016, the Company had made the necessary intimation to the KIADB pursuant to letter a dated April 3, 2016 in relation to the dilution of the promoters' shareholding in the Company below 51% and had sought its consent. Our Company is yet to receive a response from the KIADB in relation to this letter. As of June 30, 2024, the promoter directors collectively hold 20.77% of the equity share capital, and the promoters collectively hold 47.57% of the equity share capital of the Company. Further, pursuant to a letter dated September 13, 2024, our Company had sent an intimation to the KIADB to seek their consent for the further dilution of promoters' shareholding in the Company below the current shareholding pursuant to the Issue. We are currently awaiting a response from the KIADB. There is no assurance that we will be able to receive this consent or that the KIADB may or may not give notice to us alleging breach of terms of the lease agreements entered into with them. If such a notice is issued it could potentially lead to a penalty or revised lease price as decided by the KIADB.

Additionally, 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.

Further, 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 have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations. Furthermore, under the terms of the lease agreements, we are required to comply with various conditions such as payment and compliance requirements, including timely payment of lease rentals, using the entire leased area for industrial purposes to the satisfaction of the lessor in its sole discretion, refraining from making any changes or alterations to the building or other erections on the premises without prior approval or effect any change to the use of plot and safety norms prescribed by relevant authorities, making prescribed arrangements for effluent treatment, and complying with applicable pollution control norms.

Termination of our leases may occur due to failure to comply with such conditions. The failure could lead to regulatory action against us which may adversely affect our business operations.

22. We have had negative cash flows in the past and may continue to have negative cash flows in the future, which could adversely affect our liquidity and operations.

We experienced the cash flows, both positive and negative, set forth in the table below in the Fiscals 2022, 2023 and 2024:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash generated from operating activities	32,233.54	35,411.26	6,785.32
Net cash (used in)/generated from investing activities	(11,737.81)	217.99	(13,625.15)
Net cash generated from/(used in) financing activities	(22,807.40)	(40,089.38)	12,132.67
Net (decrease) / increase in cash and cash equivalent	(2,311.67)	(4,460.13)	5,292.84

We cannot assure you that our operating cash flows or net cash flows will be positive in the future. For further details, see

"*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 95 and 332, respectively.

23. Our Company has incurred losses in the past.

Our Company in the past has incurred losses. There can be no assurance that we will be able to maintain our profitability in the future.

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Comprehensive Income for the period (₹ lakhs)	10,993.52	(1,578.49)	15,941.61

For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 95 and 332, respectively.

24. We are partially dependent on contract labour and any disruption to the supply of such labour for our manufacturing facilities or our inability to control the composition and cost of our contract labour could adversely affect our operations.

Our workforce includes personnel that we engage through independent contractors. We employed 1,075, 1,125, 918 and 2,083 for the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022. We incur certain contract labour charges for engaging workforce through independent contractors.

Although we do not engage these labourers directly, we may be held responsible for any wage payments to these labourers in the event of default by our independent contractors. While the amount paid in such an event can be recovered from the independent contractor, any significant requirement to fund the wage requirements of the engaged labourers or delay in recovering such amounts from the contractors may have an adverse effect on our cash flows and results of operations. In addition, we may be required to absorb a number of such contract labourers as permanent employees pursuant to an order from a regulatory body or court which would increase our costs and decrease our flexibility to increase or decrease our workforce in response to changes in demand for our products. Any upward revision of wages that may be required by the state government to be paid to such contract labourers would increase our costs and may adversely affect the business and results of our operations. Further, the Code on Wages, 2019 ("**Wages Code**") received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws one of which includes, the Payment of Wages Act, 1936, amongst others. The Central Government vide notification dated December 18, 2020, notified certain provisions of the Wages Code, mainly in relation to the constitution of the advisory board. The notification of Wages Code entirely, has the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance. For instance, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. Further, if we are unable to obtain the services of skilled and unskilled workmen or at reasonable rates it may adversely affect our business and results of operations. In addition, our manufacturing process is also dependent on a technology driven production systems and any inability of the contract labourers to familiarize themselves with such technology could adversely affect our business and results of operations.

25. We are involved in certain legal and other proceedings. Any adverse outcome in such proceedings may have an adverse effect on our business, cash flows, results of operations and financial condition.

Our Company, its Promoters, and Subsidiaries are currently involved in legal proceedings in India which are pending at different levels of adjudication before the concerned authority. We cannot assure you that these proceedings will be decided in favour of our Company, our Promoters, and Subsidiaries, as the case may be. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on the financials and reputation of our Company, its Directors or its Promoters which may in turn have an adverse effect on our business. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury, damage to property amongst others. For example, on account of a contractual dispute between Shriganesh Textile and Infrastructure (India) Private Limited and our Company, over unpaid dues of Shriganesh Textile, Vilas Subhash Deore has filed a suit against our Company, our Directors, Dinesh Kumar Himatsingka, Shrikant Himatsingka and our Executive Vice-President, Ganpati C.B. alleging malicious prosecution and claiming damages of ₹ 2,000 lakhs being aggrieved by an FIR which was initially registered by the Company against the Plaintiff. For further details, see "*Legal Proceedings-" Litigation involving our Company -Litigation against our Company-Material Civil Litigation* on page 477.

These legal proceedings may not be decided in our favor and we may incur significant expenses and management time in such proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations, cash flows and financial condition. For further details, see "*Legal Proceedings*" on page 477.

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

Our performance is highly dependent on our senior management and other key personnel to maintain our strategic direction and manage our current operations and meet future business challenges that may also arise in relation to 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 Mr Dinesh Kumar Himatsingka, our Executive Director and Chairman and Mr. Shrikant Himatsingka, our Executive Director and Managing Director and other members of our senior management team, including our key managerial personnel help us to execute our growth strategy, have been integral to our business. For details in relation to our key managerial personnel, see "*Board of Directors and Senior Management – Key Managerial Personnel*" on page 421. If one or more of these senior management including our key managerial 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 time 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 in a timely manner or increase our levels of employee compensation to remain competitive, our business, financial results and prospects may be materially and adversely affected. We have faced attrition of permanent employees of 5%, 19%, 23% and 22% for the three months period ended June 30, 2024 and Fiscals 2024, 2023 and 2022.

27. ***We are dependent on an exclusive license agreement with third party in relation to track and trace technology for our business. In the event that we have to discontinue the use of such license, it may adversely affect our business and financial condition.***

We do not own the patent in relation to the track and trace technology we use with respect to our products. We have been granted a worldwide, exclusive, sub-licensable license to certain methods of genetic analysis, genotyping and DNA marking of textiles and cotton fibers and certain know-how for use in connection with unfinished cotton, home products and non-home products, pursuant to a license agreement ("**License Agreement**" and such license, the "**License**"), dated June 23, 2017 entered into between one of our subsidiaries, Himatsingka America Inc and a US based company engaged in applied sciences ("**Licensor**"). The term of the License will continue until the patent is no longer in effect and the licensed know-how will remain in force until June 2042. The License Agreement may be terminated by the Licensor in the event of a material breach by us of the terms of the License Agreement. Further, we pay the Licensor a royalty fee as a percentage of our revenue and net sales. In the event that the License Agreement is terminated or the License is not effective, we will need to search for an alternate technology to trace and track our cotton and cotton fibres, which may lead to increased costs and expenses, and may consequently adversely affect our business and financial condition.

28. ***We are entitled to certain export incentives and subsidies for a specified period of time. Expiry or early withdrawal of export incentives may adversely affect our business, financial condition, cash flows and results of operations.***

We benefit from export incentives under export promotion schemes such as Rebate of State and Central Taxes and Levies (RoSCTL) on exports of Apparel/ Garments, Nutana Javali Neeti, Deen Dayal Upadhyaya Grameen Kaushalya Yojana and the duty drawback scheme, that enables exporters to obtain a refund of the excise and customs duty payable on the import of raw materials that are used in the manufacture of exported goods, subject to certain conditions. In the Fiscal 2022, Fiscal 2023 and Fiscal 2024, export incentives amounted to ₹ 24,366.65 lakhs, ₹ 17,519.92 lakhs and ₹ 21,718.17 lakhs, respectively, which constituted 7.65%, 6.54% and 7.64%, respectively, of our revenue from operations. If these export incentives are withdrawn or cancelled, or there is a delay in disbursements of benefits under such schemes, our business, financial condition and results of operations may be adversely affected. In addition, our business, financial condition, cash flows and results of operations may be adversely affected if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits.

We have availed certain special subsidies from the central and state governments and have made applications for certain subsidies. There is no assurance that we will continue to receive incentives from the central or state governments at all or in a timely manner. Further, if government policies change, we may not be able to avail these benefits.

There are certain legal disputes with the central government in relation to certain grants availed by us. Further, if the central government policies change, we may not be able to avail such grants and benefits. Further, we avail ourselves of exemptions from customs duties under advance authorization licenses. Under the advance authorization licenses, we import certain important raw materials without the payment of import duties, which are then used in the manufacture of goods to be exported. Our inability to fulfil our export obligations under such advance authorization licenses, could subject us to payment of customs duties together with interest thereby adversely impacting our business, financial condition, cash flows and results of operations. For further information on our tax benefits, see *"Taxation-Statement of Possible Special Tax Benefits"* on page 470.

29. ***We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, cash flows and financial condition.***

We have entered into various financing arrangements with various lenders for short-term and long terms facilities. As of July 31, 2024 we had total outstanding borrowings of ₹ 3,02,185.06 lakhs, on a consolidated basis. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions. Moreover, some of our existing borrowings are and our future borrowings may be at an interest rate higher than the prevailing market rate. We cannot assure you that we will be successful in negotiating favourable terms for our future borrowings.

Some of our borrowings are secured, among others, by way of hypothecation and mortgage on our assets. As these assets are hypothecated or mortgaged, our rights in respect of transferring or disposing of these assets are restricted except in the normal course of business. Further, in the event we fail to service our debt obligations, the lenders have the right to withdraw the facility sanctioned, enforce the security created in respect of our secured borrowings and take possession of and/or transfer the assets comprised within the security. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations, financial condition, cash flows and future prospects may be adversely affected.

Some of the financing arrangements entered into by us include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, altering our capital structure, amendment to the constitutional documents of the company, including memorandum of association and article of association, dilution in shareholding of our Promoters of our Company and mobilising capital markets. While all necessary consents required under the terms of the financing arrangements for the Issue have been obtained, a failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities and suspension of further access/ withdrawals, either in whole or in part, for the use of the facility.

If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our long term working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing**.** Additionally, we are also susceptible to changes in interest rates and the risks arising therefrom. Most of our financing agreements provide for interest on loans at variable rates with a provision for the periodic resetting of interest rates. Furthermore, under certain of our financing agreements, the lenders are entitled to charge a pre-payment penalty in case the loans are paid in advance and change the applicable rate of interest, which is a combination of a base rate and a contractually agreed spread. Certain loans are also extended at interest rates that are subject to periodic change from time to time based on the lender's internal policies. See "*Financial Information*" on page 95 for a description of interest payable under our financing agreements. Furthermore, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates or inability to comply with repayment and other covenants in our financing agreements could have an adverse effect on our business, results of operations, cash flows and financial condition.

30. The common stock of our material subsidiaries are pledged. In the event that the pledge is invoked, or the security provided is enforced, our business and financial condition could be adversely affected.

There is a pledge on 100% of the common stock of our material subsidiaries, Himatsingka America Inc USA which is held by Himatsingka Holdings North America Inc and Himatsingka Holdings North America Inc held by our Company in favour of EXIM Bank pursuant to term loans obtained. Any default under the agreements pursuant to which the common stock have been pledged by our Company will entitle EXIM Bank to enforce the pledge over such common stock and the title to the common stock will be transferred to such parties, resulting in change in control of our material subsidiaries which could have a material adverse effect on our business, cash flows, results of operations and prospects.

31. We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, financial condition, cash flows and results of operations.

Pursuant to certain of our arrangements with our customers, we are required to pay the freight costs for the products we sell. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We primarily rely on third party transportation and logistics providers for delivery of our raw materials and products. Disruptions in future of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition, cash flows and results of operations. For the three months period ended June 30, 2024 and for the Fiscals 2024, 2023 and 2022, our expenses for freight outward net of handling were ₹ 928.58 lakhs, ₹ 8,492.65 lakhs, ₹ 4,316.02 lakhs, ₹ 6,749.18 lakhs, respectively, which constituted 1.26 %, 2.97 %, 1.57 %, and 2.11%, respectively, of our total revenue from operations in these periods/ years.

We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the price for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, financial condition, cash flows and results of operations. While we believe we have adequately insured ourselves against the risk involved in transport, we may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents and/or loss of our products in transit. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, financial condition, cash flows and results of operations.

32. 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, cash flows and results of operations.

Our manufacturing activities are labour-intensive. As of June 30, 2024, we had 6,947 permanent employees engaged across various operational and business divisions in India and North America. We are subject to several stringent labour laws that protect the interests of our workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers and imposes financial obligations on employers.

While there are ongoing litigation proceedings with employees or contract labourers, we cannot assure you that there will be no disputes with our workforce in the future and that we will not be involved in proceedings on these matters. Furthermore, while we have not experienced significant labour unrest in the past, strikes, lockouts and other labour action, may have an adverse impact on our operations, and if not resolved in a timely manner, could lead to disruptions in our operations.

We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future and any such event could adversely affect our business, results of operation and financial condition. We may also be impacted by strikes or other labour disruptions and shortages in the operations of our raw material suppliers which could consequently disrupt 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, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability.

Furthermore, changes to Indian labour laws could adversely affect our business. For instance, the GoI has framed four labour codes, namely: (i) The Industrial Relations Code, 2020; (ii) The Code on Wages, 2019; (iii) The Occupational Safety, Health and Working Conditions Code, 2020; and (iv) The Code on Social Security, 2020 which seek to consolidate all existing labour legislation in the country (including the Minimum Wages Act, 1948) into distinct codes dealing with industrial relations, wages, social security, industrial safety and welfare. While the labour codes have not been implemented yet, any such changes, if implemented, could adversely affect our operating margins, manufacturing operations, cash flows and results of operations.

33. We rely significantly on our information technology systems for our business and any inadequacy or security breach in such systems could adversely affect our business, financial condition and results of operations.

We often have access to, or are required to collect and store, confidential customer data. We face a number of threats to our networks such as unauthorized access, security breaches, computer hacks, computer viruses, worms, malicious applications, interruptions or malfunctions in our operations, computer attacks, disruptions or other security problems caused by unauthorized access to, improper use or misappropriation of systems by third parties or our personnel. While we have in place an established process for actively monitoring related risks, the evolving nature of cyber-threats is an ever-present risk of disruption and we are dependent upon the optimum functioning of telecommunications software and hardware to ensure efficient functioning between our customers, sites, and global teams.

We face risks relating to compliance with applicable laws, rules and regulations relating to the collection, storage, use, sharing, disclosure, protection and security of personal information, as well as requests from regulatory and government authorities relating to such data. These laws, rules, and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation, and changes in enforcement. For instance, in order to ensure data privacy, our Company is required to ensure compliance with the Information Technology Act, 2000 ("**IT Act**") and the rules notified thereunder which prescribe, inter alia, directions for the collection, disclosure, transfer and protection of sensitive personal data. The Government of India recently enacted the Digital Personal Data Protection Act, 2023 ("**Data Protection Act**"). The Data Protection Act requires data fiduciaries (persons who alone or in conjunction with other persons determine purpose and means of processing of personal data), to implement organizational and technical measures to ensure compliance with obligations imposed under the Data Protection Act, protect personal data and impose reasonable security safeguards to prevent breach of personal data and establish mechanism for redressal of grievances of data principals. In case we are notified as a significant data fiduciary under the Data Protection Act, we may have additional obligations imposed on us. Overall, changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, such as the General Data Protection Regulation ("**GDPR**") adopted by the European Union ("**EU**"), or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could require us to modify our existing systems or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal and contractual obligations could cause our customers to lose trust in us and our services.

34. ***If we incur serious uninsured loss that significantly exceeds the limit of our insurance policies, it would have an adverse effect on our business, financial conditions, results of operation and cash flows.***

We maintain customary insurance policies for our manufacturing facilities, premises, workers' compensation insurance, cyber liability insurance and commercial general liability insurance. Our Company's insurance coverage amounted to ₹ 2,59,954 lakhs which represented 83% of our fixed assets as on March 31, 2024.

.Our principal types of insurance coverage includes perils and fire insurance in respect of the buildings, plant and machinery, stocks of goods and office equipment in our manufacturing facilities, transit insurance for transport of critical raw materials and finished products, marine cargo insurance, portable electronic equipment insurance, and cash insurance. We also maintain employees' health insurance policy, cyber risk policy, directors personal liability policy, employee's practice liability, personal accident policies and public liability insurance policies covering personal injury.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. We are also required to maintain certain insurance policies under our customer agreements, such as workers' compensation, and commercial liability insurance under our customer agreements. Our insurance policies may not provide adequate coverage and cover all perceivable risks in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, business, cash flows and financial condition may be adversely affected.

35. ***Our Company is required to comply with the various requirements prescribed under the SEBI Listing Regulations. Failure to comply with the same by our Company may result in certain adverse consequences.***

In the past, we had received notices, from BSE and NSE (collectively, the "**Stock Exchanges**") on May 22, 2023, and August 21, 2023, imposing a fine of ₹5.25 lakhs each on our Company for the quarter ending June 30, 2023 and a fine of ₹1.36 lakhs each for the quarter ending March 30, 2023 for non-compliance with Regulation 17(1) of the SEBI Listing Regulations. Further, we also had submitted waiver applications with the Stock Exchanges in relation to the aforementioned fines and for contending the time limit available to the Company for appointment of additional Independent Director necessitated by nomination of Director on the Board. On June 24, 2024, we received an email from BSE in relation to the fine amount of ₹5.25 lakhs, whereby BSE has waived fine amounting to ₹1.83 lakhs and rejected waiver application for fine amounting to ₹3.42 lakhs for the quarter ended June 30, 2023. Any such instances in future could impact our reputation.

36. ***We have made delayed submission of the annual report for the year ended March 31, 2024 and have sought a condonation of such delay from NSE. We cannot assure you that this matter will be resolved in our favour or that no adverse action will be taken against us.***

    In terms of Regulation 34 of SEBI Listing Regulations, 2015, the Company is required to submit to the stock exchanges and publish on its website a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders. The Company delayed in submitting its annual report for the year ended March 31, 2024 by one day with the stock exchanges on account of a technical failure. Pursuant to an email dated October 18, 2024 from NSE, the Company was required to provide reasons for such delay. The Company, pursuant to an email dated October 23, 2024, responded that such delay was on account of a technical hang of the laptop through which the submission was made. The Company has sought condonation of delay through the email to NSE in respect of inadvertent delay in submitting the copy of the annual report sent to the shareholders along with the notice of the annual general meeting. We cannot assure you that this matter will be resolved in a timely manner or at all and that our Company will not be subject to any fine, penalty or any additional payment in future or any other adverse action by the Stock Exchanges.

37. ***Undetected design defects, errors or failures may result in loss of or delay in market acceptance of our products or in liabilities that could materially adversely affect our business, cash flows, financial condition and results of operations.***

Our product solutions involve a high degree of complexity and have unique specifications which could contain product defects or that are difficult to detect and correct. Errors or defects occur in ordinary course of business which may result in incurring costs to rectify or address the occurrence. Undetected errors or defects, however, may result in failure to achieve market acceptance or increase liabilities that could have a material adverse effect on our business, on our cash flow, financial condition and on our results of operations. We cannot assure you that errors will not be found in new product development solutions, which could result in litigation and other claims for damages against us and thus could materially adversely affect our business, cash flows, financial condition and results of operations.

38. ***Our Promoters will continue to exercise significant influence after the completion of the Issue and any substantial change in our Promoter's shareholding will have an impact on the trading price of our Equity Shares.***

Our Promoters will continue to hold a significant percentage of our Equity Share capital after the Issue. Our Promoters may, therefore, be able to control the outcome of matters submitted to our Board or shareholders for approval including the appointment of Directors, the timing and payment of dividends, the adoption and amendments to our constitutional documents. Our Promoters will continue to exercise significant control or influence over our business and major policy decisions. Our Promoters may also pledge the ownership interest in our Company for its business or borrowings. Accordingly, the interests of our Promoters in capacity of shareholders may conflict with your interests and the interest of our other shareholders. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoters.

39. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risk.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. Our internal controls are effective as of date\However, if internal control weaknesses are identified in future, our actions may not be sufficient to correct such internal control weakness. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Such instances may also adversely affect our reputation, thereby adversely impacting our business, cash flows, results of operations and financial condition.

40. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.***

We have entered into various transactions with related parties. In the Fiscals 2022, 2023 and 2024, the arithmetic aggregate absolute total of such related party transactions was ₹ 2.042.22 lakhs, ₹ 1,775.03 lakhs and ₹ 1,489.71 lakhs, respectively, amounting to 0.64 %, 0.64 % and 0.52 % of our total income in the corresponding years. For details please see "*Related Party Transactions*" on page 43.

While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. While all related party transactions that we enter into are subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Accordingly, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

41. ***Our business depends on a strong brand and corporate reputation and if we are not able to maintain and enhance our brand, our ability to grow our business and our results of operations, cash flows, and financial condition may be adversely affected.***

Through our global networks, we cater to and service a global client base across various retail formats and channels including hyper markets, departmental stores, speciality stores, off-price retailers, importers, multi-brand outlets and e-commerce platforms amongst other formats. We have relationships and reach with global retailers and clients that operate across key markets, formats and channels. Since many of our specific client and brands engagements involve highly tailored solutions, our corporate reputation is a significant factor in our customers' and prospective customers' determination of whether to continue engaging us or hire us for prospective services. We believe that our brand name and reputation are important corporate assets that help distinguish our offerings from those of our competitors and also contribute to our efforts to recruit and retain talented professionals. However, our corporate reputation is susceptible to damage by various factors such as actions or statements made by current or former employees or customers, competitors, Promoters, and adversaries in legal proceedings, as well as members of the investment community and the media. There is a risk that negative information about our company, even if based on false rumours or misunderstandings, could adversely affect our business.

Any negative news affecting us might also affect our reputation and brand value. In particular, damage to our reputation could be difficult and time-consuming to repair, especially due to the competitiveness in our industry, which could make potential or existing customers reluctant to select us for new engagements, resulting in a loss of business, and could adversely affect our employee recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of our brand name, could reduce investor confidence in us, affect the price of our Equity Shares and adversely affect our ability to grow our business and our results of operations, cash flows and financial condition.

42. We have contingent liabilities as per Ind AS 37 provisions, contingent liabilities and contingent assets. The realization of our contingent liabilities may adversely impact our profitability and may have a material adverse effect on our business, cash flows, financial conditions and results of operations.

The following are the tax contingencies as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets on a consolidated basis in our balance sheet, for the Fiscal 2024:

Sr. No	Particulars	Fiscal 2024
Claims against Group not acknowledged as debt		
1.	Income tax matters	418.45
2.	Custom, service tax and excise duty related matter (excludes penalties, if any)	1,521.25
Guarantees outstanding		
3.	Financial institutions	18,342.26
4.	Others	-
Total		20,281.96

Our contingent liabilities may become actual liabilities and if a significant portion of these liabilities materialize, it could have an adverse effect on our business, results of operations, financial condition, cash flows and future prospects. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future. If any of these occur in the future, they may adversely impact our profitability and may have a material adverse effect on our business, cash flows, financial condition and our results of operations.

43. Our Registered and Corporate Office are not owned by us and we have only leasehold rights.

Our Registered and Corporate Office is located at 4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, on a leased premises. Typically, the term of our lease agreement is for a period of 11 months and includes escalation clauses that provides for an increase in rent/license fee payable by us on account of renewal.

If we are unable to renew our current leases or if we renew them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition. Further, if alternative premises are not available at the same or similar costs, sizes or locations in a timely manner, our business, financial condition, cash flows and results of operations may be adversely affected.

There is no guarantee that these leases/ licenses will be renewed or extended once their terms are complete. If we are unable to renew or extend our current leases/ licenses, or if we renew or extend them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition.

44. We are subject to risks associated with expansion into new geographic regions.

Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions.

The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- lack of resources or requisite skill sets to comply with internal controls or manage an increased compliance burden or potential liability associated with operating in multiple countries
- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners;
- local preferences and service requirements; fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes

- exposure to expropriation or other government actions;
- changes in geopolitical conditions and diplomatic relations;
- other political, economic and social instability; and
- foreign exchange control regulations, including restriction on remittance of funds or repatriation of profits from one country to other, levying of withholding taxes on remittance/ repatriation.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

45. Our individual Promoters and certain of our Directors hold Equity Shares in our Company and are therefore, interested in our performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors (including our individual Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Board of Directors and Senior Management*" and "*Shareholding Pattern of our Company*" on pages 414 and 425 respectively.

46. Our funding requirements and proposed deployment of the proceeds from this Issue are based on management estimates and have not been independently appraised.

We intend to use the Net Proceeds for the purposes of repayment/ prepayment in full or in part, of certain of the borrowings availed by our Company and our Subsidiaries and balance portion for General corporate purposes (provided however, that the amount for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue), see "*Use of Proceeds*" on page 77.

As on the date of this Placement Document, our funding requirements are based on management estimates and have not been appraised by any bank or financial institution. These are based on current conditions, internal management estimates based on the terms of our current financing documents and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Issue. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, or necessary licenses and approvals, competition, price fluctuations of raw material, interest rate fluctuations and other external factors, 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.

Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, CARE Ratings Limited, has been appointed as the monitoring agency for monitoring the utilization of Net Proceeds in accordance with the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section "*Risk Factors*", may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

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

We have availed the services of an independent third-party research agency, to prepare an industry report titled *"Textiles Industry in India"* dated October 24, 2024, for purposes of inclusion of such information in this Placement Document. This report is not exhaustive and is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed, and dependability cannot be assured. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document. You should consult your own advisors and undertake an independent assessment of information in this Placement Document based on, or derived from, the CRISIL Report. You are advised not to place undue reliance on the CRISIL Report or extracts thereof as included in this Placement Document, when making your investment decision.

48. The seasonality of our business may contribute to fluctuations in our results of operations and financial condition.

The primary raw material used in our manufacturing operations is cotton which is available as per seasons thereby making our business seasonal in nature. Depending upon the availability of cotton, the period wherein we may experience higher revenue varies from season to season. While we are able to procure cotton at reasonable terms and in large quantities during the crop season, we face lesser availability of cotton and higher prices during the off season. Accordingly, our revenue in one quarter may not reflect accurately the revenue trend for the whole Financial Year. The seasonality of cotton industry may cause fluctuations in our result of operations and financial conditions.

EXTERNAL RISK FACTORS

Risks Related to India

49. Our growth depends on the sustained growth of the Indian economy and may be impacted by an economic slowdown in India

We are incorporated in India and our manufacturing operations are principally located in India. Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. Factors that may adversely impact the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- changes in India's tax, trade, fiscal or monetary policies;
- 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 or outbreak of an infectious diseases, such as COVID-19;
- breakdown in diplomatic ties resulting in incentives not being available under various free trade agreements;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency and
- other significant regulatory or economic developments in or affecting India or its textile sector.

Any slowdown in the Indian economy may have a direct impact on the demand for our products, thereby adversely impacting our profitability and growth plans. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy.

Furthermore, any fluctuation in rate of exchange with foreign currency transactions or devaluation of the Indian Rupee may adversely impact our revenue and profit margins. Any slowdown or perceived slowdown in the Indian economy, could adversely impact our business, results of operations and financial condition.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

51. 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. For instance, the current Russia - Ukraine and Israel-Palestine conflict if escalated and prolonged may cause disruptions in our operating geographies of Europe and North America. 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.

52. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.
On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC 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. However, since we pursue an acquisition driven growth strategy, on reaching threshold limits, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

53. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate to pass costs on to our customers.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Furthermore, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

54. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain 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 the prior approval of the RBI will be required for the transfer of shares. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

55. Any downgrade of India's sovereign debt rating, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revision to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

56. 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 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. Except certain portions of the Wages Code, which have come into force pursuant to notification by Ministry of Labour and Employment, the rules for implementation under such codes are yet to be notified. Accordingly, 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. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements (including online and digital platforms), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. The Social Security Code also provides that such schemes may, inter alia, be partly funded by contributions from online platforms.

Any failure to comply may adversely affect our business, results of operations 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.

57. Changes in trade policies may adversely affect our profitability.

There have been on-going discussions and commentary regarding changes to Indian trading policies, treaties and tariffs, which could create uncertainties about the future relationship between India and other countries with respect to trade policies, treaties and tariffs. Any such change in policies by India, such as such changes by the countries, in terms of tariff and non-tariff barriers, from which the countries to which we export our products, may increase our operating costs, reduce our margins and make it more difficult for us to compete in the overseas markets, and our business, financial condition, cash flows and results of operation could be severally impacted.

58. Investors may have difficulty enforcing foreign judgments in India against our Company or our management.

Our Company is a public limited company incorporated under the laws of India. Most of our Company's directors and executive officers named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. Moreover, 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 that the amount of damages are excessive or inconsistent with Indian public policy. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. For further information on recognition and enforcement of foreign judgments in India, please see "*Enforcement of Civil Liabilities*" on page 14. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

59. A third party could be prevented from acquiring control of us post the Issue, because of anti-takeover provisions under Indian law.

As a listed Indian entity, 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 subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

Risks Related to the Equity Shares

60. After this Issue, the price of the Equity Shares may be volatile.

The Issue Price, which included a discount of 5% amounting to ₹7.71 per Equity Share on the Floor Price in accordance with the SEBI ICDR Regulations, will be determined by our Company in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- perceptions about our Company's future performance or the performance of Indian banks in general;
- the performance of our Company's competitors and the perception in the market about investments in the banking sector;
- adverse media reports about our Company or the Indian banking sector;
- comparatively less active or illiquid market for the Equity Shares;
- changes in the estimates of our Company's performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- inclusion or exclusion of our Company in indices;
- significant developments in India's fiscal regulations;
- any other political or economic factors; and
- general economic and stock market conditions.

Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. 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.

61. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer 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 in which the investors are located in, do not permit the investors to exercise their pre-emptive rights, without our 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 that 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-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

62. An investor's ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document.

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction. As such, an investor's ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see "*Selling Restrictions*" on page 453. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For further information, see "*Transfer Restrictions*" on page 461. You are required to inform yourself about and observe these restrictions. Our Company, our representatives, and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

63. Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid /Issue Closing Date.

In terms of Regulation 179 (1) of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the 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 the business, results of operation or financial condition of our Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

64. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. Prospective investors may not be able to immediately sell the Equity Shares held by them on the Stock Exchange.

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 trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after 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. Since the Equity Shares are currently traded on the BSE and the NSE, 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.

65. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of one year from the date of allotment of such Equity Shares.

Pursuant to Regulation 178 of the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock - in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

66. An investment in the Equity Shares is subject to general risks related to investments in Indian Companies.

Our Company is incorporated in India and almost all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

67. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

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

Further, the Government of India has introduced the Finance Bill, 2024, which seeks to modify certain provisions of the Finance Act, 2023. There is no certainty on the impact that the Finance Bill, 2024 may have on our business and operations. We cannot predict whether any tax laws or other regulations impacting us will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

68. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Our articles of association, regulations of our Board of Directors and the 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. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

69. Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees and subsequently may need to be converted into the relevant foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

70. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We did not pay any dividends for Fiscal 2023, and we did not pay any interim dividend for the three-months period ended June 30, 2024. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with our dividend distribution policy and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements.

71. Under Indian law, foreign investors are subject to investment restrictions that may limit our ability to attract foreign investors, which may adversely affect the trading price of our 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. Furthermore, the Indian Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian Government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

72. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" on page 90, we cannot assure you that our Promoters or Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 98,496,160 Equity Shares are issued of which 98,457,160 Equity Shares are subscribed and fully paid up. The Equity Shares have been listed and are available for trading on BSE and NSE.

On October 28, 2024, the closing price of the Equity Shares on BSE and NSE was ₹162.30 and ₹162.33 per Equity Share. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Financial Years 2024, 2023 and 2022:

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Turnover of Equity Shares traded in the fiscal (₹ in lakhs)
Fiscal 2024	182.95	07.12.2023	33,22,746	6,021.91	72.35	03.04.2023	2,33,064	168.28	134.93	19,02,15,598	2,61,562.90
Fiscal 2023	165.80	07.04.2022	5,22,527	873.36	67.95	29.03.2023	4,96,823	340.19	102.22	9,05,76,479	92,958.55
Fiscal 2022	270.60	10.01.2022	14,40,161	3,922.69	134.10	19.04.2021	50,344	67.85	196.98	6,90,07,466	1,38,826.77

(Source: www.nseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Turnover of Equity Shares traded in the fiscal (₹ in lakhs)
Fiscal 2024	183.10	07.12.2023	1,53,002	276.70	72.33	03.04.2023	13,094	9.44	134.92	1,61,80,367	22,560.03
Fiscal 2023	166.00	08.04.2022	43,706	73.08	67.96	29.03.2023	34,863	23.97	102.23	1,00,05,794	10,475.23
Fiscal 2022	298.40	06.10.2021	20,654	61.45	133.80	19.04.2021	12,634	17.00	212.50	84,86,396	17,265.34

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

B. The following tables set out the reported high and low closing prices of our Equity Shares recorded on the NSE and the BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the turnover of Equity Shares traded in each of the last six months preceding this Placement Document:

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of Low	No. 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	
										No.	Turnover (₹ in lakhs)
September 30, 2024	168.82	20.09.2024	46,09,923	7,656.71	140.19	11.09.2024	3,68,079	523.12	150.53	3,16,52,845	49,615.56
August 31, 2024	154.81	27.08.2024	25,10,679	3,903.51	134.04	05.08.2024	11,60,979	1,573.33	146.80	2,33,45,192	34,624.00
July 31, 2024	151.03	31.07.2024	24,90,166	3,801.66	133.09	23.07.2024	3,64,141	482.48	139.28	1,62,46,262	2,337.97
June 30, 2024	140.08	21.06.2024	8,43,290	1185.71	118.30	04.06.2024	5,38,600	652.35	132.50	71,94,155	9,655.98
May 31, 2024	142.85	02.05.2024	1,24,573	177.97	126.95	31.05.2024	1,32,941	168.73	133.29	41,98,095	5,597.18
April 30, 2024	145.45	29.04.2024	430189	626.80	132.25	19.04.2024	2,00,412	264.84	139.40	59,44,123	8,277.65

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.

2. In the case of a month, average represents the average of the closing prices of all trading days of each month presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of Low	No. 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	
										No.	Turnover (₹ in lakhs)
September 30, 2024	168.65	20.09.2024	3,65,595	607.52	140.25	11.09.2024	33,303	47.29	150.60	22,93,282	3,578.79
August 31, 2024	154.70	27.08.2024	3,04,236	472.99	134.10	05.08.2024	2,24,664	303.07	146.78	22,67,257	3,341.14
July 31, 2024	151.20	31.07.2024	1,09,296	167.20	133.00	23.07.2024	36,035	47.73	139.29	12,89,507	1,843.17
June 30, 2024	139.90	21.06.2024	84438	119.01	117.65	04.06.2024	37,403	45.22	132.35	5,49,795	734.83
May 31, 2024	142.85	02.05.2024	19769	28.23	126.95	31.05.2024	19,486	24.71	133.34	4,84,672	646.86
April 30, 2024	145.25	05.04.2024	47,155	67.75	132.25	19.04.2024	43,165	56.91	139.42	5,75,725	802.00

(Source: www.bseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a month, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

C. The following table sets forth the market price on the Stock Exchanges on January 29, 2024, the first working day following the approval of our Board for the Issue:

BSE						NSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lakhs)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in lakhs)
157.55	162.35	156.05	159.65	32,007	50.86	158.80	162.30	156.05	159.75	4,67,719	744.38

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

USE OF PROCEEDS

The gross proceeds of the Issue aggregates approximately up to ₹ 39,999.99 lakhs ("**Gross Proceeds**").

Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue (of approximately ₹ 2,240.00 lakhs), are approximately ₹ 37,759.99 lakhs ("**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, and as approved by the Board of Directors, we propose to utilise the Net Proceeds for the following objects:

1. Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/ or its Subsidiaries; and

2. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**").

Requirements of Fund

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

Sr. No.	Use of proceeds	Amount (₹ in lakhs)	Tentative timelines for utilisation of Net Proceeds
1.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/ or its Subsidiaries	30,000.00	Fiscal 2025
2.	General corporate purposes(1)	7,759.99	Fiscal 2025

(1) *The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*

Our main objects clause and objects incidental or ancillary to the main objects clause, as set out in our Memorandum of Association, enable us to undertake our existing business activities for which the borrowings were availed by our Company and/ or its Subsidiaries, and which are proposed to be repaid or prepaid from the Net Proceeds.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our internal management estimates, operating plans and the growth strategies of our Company and other commercial factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. For details, see "*Risk Factors - Our funding requirements and proposed deployment of the proceeds from this Issue are based on management estimates and have not been independently appraised.*" on page 68. We currently propose to deploy the Net Proceeds by or before Fiscal 2025. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, obtaining necessary approvals/consents, as applicable, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds and Issue related expenses in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year or if required, the amount scheduled for deployment in a specific Fiscal may be utilized in an earlier Fiscal, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from (i) internal accruals and any additional equity, or (ii) by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds.

Details of Objects

1. Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/ or its Subsidiaries

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by us include, *inter alia*, term loans and working capital facilities and non-convertible debentures. As of July 31, 2024, we had total outstanding borrowings of ₹ 3,02,185.06 lakhs, on a consolidated basis. We propose to utilise a portion of the Net Proceeds aggregating up to ₹ 30,000.00 lakhs for repayment or prepayment, in full or in part, of certain outstanding borrowings availed by our Company and/ or its Subsidiaries.

Our Company has obtained necessary consents, wherever required, from the lenders as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt - equity ratio. In addition, we believe that since our debt - equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The details of the outstanding borrowing availed by our Company, proposed for repayment or prepayment, in full or in part, from the Net Proceeds is set forth below:

(in ₹ lakhs)

Sr.No.	Name of the Borrower	Name of the lender	Nature of loan	Date of sanction letter/Loan Agreement	Purpose of the loan	Sanctioned amount (₹ in lakhs)	Outstanding loan amount as on July 31, 2024** (₹ in lakhs)	Interest rate	Tenor and Repayment schedule	Pre-payment penalty*	Whether the loan has been utilized for the purpose for which it has been availed*	Security
1.	Himatsingka Seide Ltd	Aditya Birla Finance Limited	Term Loan	28-Dec-21	Part refinance of existing debt	4,000	2,599.18	12.1% per annum	Tenor – 84 months Repayment- 26 quarterly instalments	Nil	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
2.	Himatsingka Seide Ltd	Axis Finance Limited	Term Loan	08-Nov-21	Part closure of existing loans/refinancing or Long term working capital purpose	4,800	3,400.00	11.35% per annum	Tenor – 84 months Repayment- 24 quarterly instalments	Nil	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
3.	Himatsingka Seide Ltd	Bank of India	Term Loan	11-Nov-21	To meet certain routine and maintenance capex requirements	4,804	3,572.00	11.70% per annum	Tenor – 84 months Repayment- 24 quarterly instalments	NA	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
4.	Himatsingka Seide Ltd	Bank of Maharashtra	Term Loan	09-Nov-21	To finance proposed capex/reimbursement of capex	5,000	4,288.50	10.55% per annum	Tenor – 96 months Repayment- 28 quarterly instalments	NA	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants

Sr.No.	Name of the Borrower	Name of the lender	Nature of loan	Date of sanction letter/Loan Agreement	Purpose of the loan	Sanctioned amount (₹ in lakhs)	Outstanding loan amount as on July 31, 2024** (₹ in lakhs)	Interest rate	Tenor and Repayment schedule	Pre-payment penalty*	Whether the loan has been utilized for the purpose for which it has been availed*	Security
												located at Hassan and Doddaballapur, both present and future.
5.	Himatsingka Seide Ltd	EXIM Bank	Long - Term Working Capital	07-Sep-23	Augmenting Net Working Capital	10,000	9,500.00	11% per annum	Tenor – 60 months Repayment- 18 quarterly instalments	1% of the prepaid amount	Yes	1. First charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary HWPL and 2. Corporate Guarantee from HWPL only to the extent of properties charged with Exim Bank
6.	Himatsingka Seide Ltd	EXIM Bank	Term Loan	08-Oct-15	To part finance manufacturing facility	18,000	9,157.05	9.35% per annum	Tenor ~144 monthsRepayment- 39 quarterly instalments	At the discretion of bank	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
7.	Himatsingka Seide Ltd	EXIM Bank	Overseas Investment Finance	31-Mar-21	Towards part financing equity investments in its	10,000	8,500.00	9.35% per annum	Tenor – 84 months Repayment- 21 quarterly instalments	NA	Yes	1. First pari passu charge on present and future Fixed

Sr.No.	Name of the Borrower	Name of the lender	Nature of loan	Date of sanction letter/Loan Agreement	Purpose of the loan	Sanctioned amount (₹ in lakhs)	Outstanding loan amount as on July 31, 2024** (₹ in lakhs)	Interest rate	Tenor and Repayment schedule	Pre-payment penalty*	Whether the loan has been utilized for the purpose for which it has been availed*	Security
					100% step-down subsidiary							Assets of the company's plants situated at Doddaballapur and Hassan 2. 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and HIS respectively 3. Second charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary HWPL and 4. Corporate Guarantee from HWPL only to the extent of properties charged with Exim Bank
8.	Himatsingka Seide Ltd	EXIM Bank	Overseas Investment Finance	31-Mar-21	Long term working capital	6,000	5,100.00	9.45% per annum	Tenor – 84 months Repayment- 21 quarterly instalments	NA	Yes	1. First pari passu charge on present and future Fixed

Sr.No.	Name of the Borrower	Name of the lender	Nature of loan	Date of sanction letter/Loan Agreement	Purpose of the loan	Sanctioned amount (₹ in lakhs)	Outstanding loan amount as on July 31, 2024** (₹ in lakhs)	Interest rate	Tenor and Repayment schedule	Pre-payment penalty*	Whether the loan has been utilized for the purpose for which it has been availed*	Security
												Assets of the company's plants situated at Doddaballapur and Hassan 2. 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and HIS respectively 3. Second charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary HWPL and 4. Corporate Guarantee from HWPL only to the extent of properties charged with Exim Bank
9.	Himatsingka Seide Ltd	EXIM Bank	Term Loan	20-Nov-14	To Part finance modernization project	2,500	160.40	10.90% per annum	Tenor – 120 months Repayment- 28 quarterly instalments	At the discretion of bank	Yes	First pari passu charge on entire moveable and

Sr.No.	Name of the Borrower	Name of the lender	Nature of loan	Date of sanction letter/Loan Agreement	Purpose of the loan	Sanctioned amount (₹ in lakhs)	Outstanding loan amount as on July 31, 2024** (₹ in lakhs)	Interest rate	Tenor and Repayment schedule	Pre-payment penalty*	Whether the loan has been utilized for the purpose for which it has been availed*	Security
												immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
10.	Himatsingka Seide Ltd	EXIM Bank	Term Loan	08-Oct-15	To part finance the cost of setting up manufacturing facility	33,400	19,461.62	9.35% per annum	Tenor ~144 months Repayment- 39 quarterly instalments	At the discretion of bank	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
11.	Himatsingka Seide Ltd	HDFC Bank (erstwhile HDFC Ltd now merged with HDFC Bank)	Term Loan	18-Jan-22	Repayment of existing debt and maintenance capex	11,000	4,469.59	12.60% per annum	Tenor – 60 months Repayment- 18 equal quarterly instalments	1% of the prepaid amount	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
12.	Himatsingka Seide Ltd	HDFC Bank	Term Loan	15-Jan-22	Takeover of existing loans	6,000	4,546.50	10.59% per annum	Tenor – 81 months Repayment- 27 quarterly instalments	2% of the prepaid amount	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.

Sr.No.	Name of the Borrower	Name of the lender	Nature of loan	Date of sanction letter/Loan Agreement	Purpose of the loan	Sanctioned amount (₹ in lakhs)	Outstanding loan amount as on July 31, 2024** (₹ in lakhs)	Interest rate	Tenor and Repayment schedule	Pre-payment penalty*	Whether the loan has been utilized for the purpose for which it has been availed*	Security
13.	Himatsingka Seide Ltd	HDFC Bank	Term Loan	15-Jan-22	Takeover of existing loans	4,000	3,400.00	10.59% per annum	Tenor – 61 months Repayment- 21 quarterly instalments	2% of the prepaid amount	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
14.	Himatsingka Seide Ltd	IndusInd Bank	Term Loan	07-Dec-17	For financing of Manufacturing facilities	11,017	9,321.38	10.00% per annum	Tenor – 144 months Repayment- 39 quarterly instalments	Nil	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
15.	Himatsingka Seide Ltd	Oxyzo Financial Services Ltd	Term Loan	28-Nov-23	General Corporate Purpose - Working Capital Term Loan	2,500	2,273.03	12.05% per annum	Tenor – 60 months Repayment- 20 quarterly instalments	1% of the prepaid amount	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
16.	Himatsingka Seide Ltd	State Bank of India	Term Loan	15-Mar-22	Takeover of existing facilities	14,296	11,405.06	9.55% per annum	Tenor – 96 months Repayment- 30 quarterly Instalments	2% of the prepaid amount	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and

Sr.No.	Name of the Borrower	Name of the lender	Nature of loan	Date of sanction letter/Loan Agreement	Purpose of the loan	Sanctioned amount	Outstanding loan amount as on July 31, 2024**	Interest rate	Tenor and Repayment schedule	Pre-payment penalty*	Whether the loan has been utilized for the purpose for which it has been availed*	Security
						(₹ in lakhs)	(₹ in lakhs)					
												Doddaballapur, both present and future.
17.	Himatsingka Seide Ltd	State Bank of India	Term Loan	15-Mar-22	Takeover of existing facilities	11,567	9,282.55	9.75% per annum	Tenor – 96 months Repayment- 30 quarterly Instalments	2% of the prepaid amount	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
18.	Himatsingka Seide Ltd	Tata Capital Limited	Term Loan	06-Sep-21	Long term working capital and repayments of existing debt	4,000	2,222.26	12.3% per annum	Tenor – 60 monthsRepayment- 18 quarterly Instalments	1% of the prepaid amount	Yes	First pari passu charge on entire moveable and immoveable fixed assets of the plants located at Hassan and Doddaballapur, both present and future.
19.	Himatsingka Seide Ltd	YES Bank	Term Loan	27-Dec-18	Reimbursement of Capital Expenditure	10,000	4,500.00	12.25% per annum	Tenor – 84 months Repayment- 28 quarterly Instalments	NA	Yes	Current Security - Subservient charge on present and future movable Fixed assets of the company Proposed modification to the security - First pari passu charge on entire moveable and immoveable fixed assets of the plants

Sr.No.	Name of the Borrower	Name of the lender	Nature of loan	Date of sanction letter/Loan Agreement	Purpose of the loan	Sanctioned amount (₹ in lakhs)	Outstanding loan amount as on July 31, 2024** (₹ in lakhs)	Interest rate	Tenor and Repayment schedule	Pre-payment penalty*	Whether the loan has been utilized for the purpose for which it has been availed*	Security
												located at Hassan and Doddaballapur, both present and future.
	Total					**1,72,884**	**1,17,159**					

**As certified by Manian & Rao, Chartered Accountants by way of their certificate dated October 24, 2024.*

** The Sanctioned, principal and interest amount in USD has been converted to INR using conversion rate of ₹ 83.74 as on July 31, 2024. (Source: www.rbi.org.in)*
***Excluding accrued interest as on July 31, 2024.*

Given the nature of the borrowings and the terms of repayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Further, our Company may also avail additional borrowings after the date of this Placement Document and/or draw down further funds under existing loans from time to time.

2. General corporate purposes.

Our Company proposes to deploy the balance Net Proceeds, aggregating up to ₹ 7,759.99 lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE and 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 ongoing general corporate exigencies and contingencies, expenses of our Company, and/or any other general purposes, as may be permissible under applicable laws, including provisions of the Companies Act.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds, our Company shall invest such proceeds in money market instruments including debt mutual funds, deposits in scheduled commercial banks or in short-term debt or long-term debt or such other methods as per applicable law and other instruments, as approved by the Board and/or a duly authorized committee of the Board, from time to time. Provided that, in accordance with applicable laws, we undertake to not utilize the 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 of utilisation of funds

Our Company has appointed Care Ratings Limited as the monitoring agency in accordance with Regulation 173A of the SEBI ICDR Regulations for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹10,000 lakhs. The report of the Monitoring Agency shall be placed before the Audit Committee on a quarterly basis, upon its receipt, until such time as the Issue Proceeds have been utilised in full. 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.himatsingka.com.

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 Issue Proceeds.

On an annual basis, our Company shall (i) 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; and (ii) disclose every year, the utilization of the Issue Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Issue Proceeds have been utilised in full.

Further, 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 Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Proceeds were raised, have been achieved. This information will also be published on our website and our Company shall furnish an explanation for the deviations and category-wise variations in the directors’ report in its annual report, after placing the same before the Audit Committee.

Other confirmations

As permissible under applicable laws, our Company’s management will have flexibility in deploying the Net Proceeds.

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 our Board and/ or a duly authorized committee of our 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 Promoter, Directors, Key Managerial Personnel or Senior Management Personnel are not eligible to subscribe to the Issue. Further, 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.

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/or Senior Management Personnel.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as of March 31, 2024, derived from the Fiscal 2024 Audited Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 332 and 95, respectively:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As of March 31, 2024*	As adjusted for the Issue**
Non-current borrowings	1,59,016.44	1,59,016.44
Current borrowings	1,20,796.32	1,20,796.32
Total Borrowings (A)	**2,79,812.76**	**2,79,812.76**
Equity share capital	4,922.86	6287.11
Other equity	1,50,972.12	1,89,607.87
Non-controlling interest	-	
Total Equity (B)	**1,55,894.98**	**1,95,894.98**
Total Capitalization (A+B)	**4,35,707.74**	**4,75,707.74**
Total Borrowings / Total equity (A/B)	**1.79**	**1.43**

** Amounts derived from the Audited Consolidated Financial Statements as at and for the financial year ended March 31, 2024.*

***The figures to be included under post-Issue column relating to the shareholder's fund shall be derived after considering the impact due to the issue of the Equity Shares only through the qualified institutions placement assuming that the Issue will be fully subscribed and does not include any other transactions or movements / issue related expenses.*

Note:

1. *These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended).*

CAPITAL STRUCTURE

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

	Particulars	Aggregate value at face value (in ₹ lakhs) (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	15,00,00,000 Equity Shares of face value of ₹5 each	7,500.00
B	**ISSUED SHARE CAPITAL BEFORE THE ISSUE**	
	9,84,96,160 Equity Shares(1) of face value of ₹5 each	4,924.81
C	**SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	9,84,57,160 Equity Shares of face value of ₹5 each	4,922.86
D	**SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE (ASSUMING THE CONVERSION OF CONVERTIBLE SECURITIES)**	
	10,47,79,130 Equity Shares of face value of ₹5 each(2)	5,238.97
E	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	2,72,85,129 Equity Shares of face value of ₹5 each aggregating up to ₹1,364.26 lakhs(3)(4)	1,364.26
F	**ISSUED SHARE CAPITAL AFTER THE ISSUE**	
	12,57,81,289 Equity Shares of face value of ₹5 each (4)	6,289.06
G	**SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	12,57,42,289 Equity Shares of face value of ₹5 each (4)	6,287.11
H	**SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE (ASSUMING THE CONVERSION OF CONVERTIBLE SECURITIES)**	
	13,20,64,259 Equity Shares of face value of ₹5 each (2)(4)	6,603.21
I	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue(5)	2,76,75,71,264
	After the Issue(4)(6)	6,63,11,45,530.40

(1) *As on the date of the Preliminary Placement Document, 39,000 Equity Shares were issued but not subscribed to, and have been kept in abeyance pending resolution of legal dispute amongst certain shareholders of the Company.*

(2) *Pursuant to the subscription agreement dated February 28, 2023 ("**Subscription Agreement**"), our Company issued FCCBs to International Finance Corporation aggregating to USD 12.5 million, which will convert to a maximum of 63,21,970 Equity Shares (assuming an exchange rate of ₹ 83.45 as of June 28, 2024 pursuant to the terms of the Subscription Agreement, according to which, the FCCBs can be converted by International Finance Corporation at a price of ₹165, subject to conversion price adjustments, as defined in the Subscription Agreement.*

(3) *The Issue has been authorised by our Board pursuant to a resolution dated January 25, 2024 and by our Shareholders on March 1, 2024 by way of a postal ballot, the results of which were declared on March 4, 2024.*

(4) *As on the date of this Placement Document.*

(5) *The securities premium account after the Issue will be calculated on the basis of gross proceeds from the Issue. Adjustments do not include Issue related expenses.*

a) Equity Share Capital History of our Company

The history of the Equity Share capital of our Company, since the date of incorporation, is set forth below:

Date of allotment%	Number of equity shares allotted/forfeited	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason / Nature of allotment
January 25, 1985	700	10	10	Cash	Initial subscription to the Memorandum of Association#
June 29, 1985	1,12,600	10	10	Cash	Further allotment
March 8, 1986	4,99,900	10	10	Cash	Further allotment
November 22, 1986	4,66,800	10	10	Cash	Further allotment
	15,15,600	10	10	Cash	Further allotment
	2,46,800	10	10	Cash	Allotment of equity shares to non-resident Indians/persons of Indian origin residing abroad
January 30, 1990	(300)	10	NA	-	Forfeiture of equity shares
May 26, 1993	14,86,800(1)	10	50	Cash	Rights issue and allotment of equity shares to employees of the Company
October 20, 1993	200	10	50	Cash	Allotment of equity shares that had been kept in abeyance in relation to the rights issue dated May 26, 1993

Date of allotment%	Number of equity shares allotted/forfeited	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason / Nature of allotment
December 23, 1993	350	10	50	Cash	Allotment of equity shares that had been kept in abeyance in relation to the rights issue dated May 26, 1993
March 30, 1994	50	10	50	Cash	Allotment of equity shares that had been kept in abeyance in relation to the rights issue dated May 26, 1993
May 21, 1994	20,10,600	10	81	Cash	Further allotment on a preferential basis to promoter group
May 26, 1994	31,100	10	81	Cash	Further allotment on a preferential basis to promoter group
October 1, 1994	31,76,995(2)	10	Nil	NA	Bonus issue in the ratio of one equity share for one equity share held by the Shareholders as on the relevant record date
July 28, 1995	500	10	50	Cash	Allotment of equity shares that had been kept in abeyance in relation to the rights issue dated May 26, 1993
July 28, 1995	1,050	10	Nil	NA	Allotment of equity shares that had been kept in abeyance in relation to the bonus issue dated October 1, 1994
October 4, 1995	200	10	Nil	NA	Allotment of equity shares that had been kept in abeyance in relation to the bonus issue dated October 1, 1994
March 18, 1996	200	10	50	Cash	Allotment of equity shares that had been kept in abeyance in relation to the rights issue dated May 26, 1993
March 18, 1996	880	10	Nil	NA	Allotment of equity shares that had been kept in abeyance in relation to the bonus issue dated October 1, 1994
February 21, 1997	300	10	50	Cash	Allotment of equity shares that had been kept in abeyance in relation to the rights issue dated May 26, 1993
February 21, 1997	1,150	10	Nil	NA	Allotment of equity shares that had been kept in abeyance in relation to the bonus issue dated October 1, 1994
December 29, 1997	50	10	Nil	NA	Allotment of equity shares that had been kept in abeyance in relation to the bonus issue dated October 1, 1994
March 12, 1998	300	10	90	Cash	Reissue of forfeited equity shares
March 12, 1998	250	10	Nil	NA	Allotment of equity shares that had been kept in abeyance in relation to the bonus issue dated October 1, 1994
October 18, 1999	5,525	10	Nil	NA	Allotment of equity shares that had been kept in abeyance in relation to the bonus issue dated October 1, 1994
October 18, 1999	95,58,600(3)	10	Nil	NA	Bonus issue in the ratio of one equity share for one equity share held by the Shareholders as on the relevant record date
October 5, 2005	-	5	NA	NA	Sub-division of equity shares into face value of ₹ 5
October 24, 2005	3,82,34,400	5	Nil	NA	Bonus issue in the ratio of one Equity Share for one Equity Share held by the Shareholders as on the relevant record date
December 21, 2005	2,09,64,360	5	130	Cash	Allotment of Equity Shares underlying to the Global Depository Receipts^
November 28, 2007	2,56,000	5	130	Cash	Conversion of warrants
January 2, 2008	2,56,000	5	130	Cash	Conversion of warrants
January 31, 2008	2,56,000	5	130	Cash	Conversion of warrants
March 7, 2008	2,56,000	5	130	Cash	Conversion of warrants

 # 100 shares were allotted to Nathmal Himatsingka, Ajoy Kumar Himatsingka, Dinesh Kumar Himatsingka, Rajendra Kumar Sett, Dilip Kumar Lath, Gauri Shankar Dubey and Ashok Kumar Paul each.

(1)The Board of Directors, in their meeting held on May 26, 1993, approved the allotment of 14,86,800 Equity Shares, while 4,850 Equity Shares were kept under abeyance. Thereafter, the Board of Directors, in their meetings held on October 20, 1993, December 23, 1993, March 30, 1994, June 28, 1995, March 18, 1996 and February 21, 1997, approved the allotment of 200 Equity Shares, 350 Equity Shares, 50 Equity Shares, 500 Equity Shares, 200 Equity Shares and 300 Equity Shares, respectively, while 3,250 Equity Shares were kept in abeyance. As on the date of the Preliminary Placement Document, 13,000 Equity Shares are kept in abeyance, pursuant to the split of Equity Shares and bonus issue dated October 5, 2005 and October 24, 2005, respectively.

(2)The Board of Directors, in their meeting held on October 1, 1994, approved the allotment of 31,76,995 Equity Shares, while 10,730 Equity Shares were kept in abeyance. Thereafter, the Board of Directors, in their meetings held on July 28, 1995, October 4, 1995, Mach 18, 1996, February 21, 1997, December 29, 1997, March 12, 1998 and October 18, 1999, approved the allotment of 1,050 Equity Shares, 200 Equity Shares, 880 Equity Shares, 1,150 Equity Shares, 50 Equity Shares, 250 Equity Shares and 5,525 Equity Shares, respectively, while 1,625 Equity Shares were kept in abeyance. As on the date of the Preliminary Placement Document, 6,500 Equity Shares are kept in abeyance, pursuant to the split of Equity Shares and bonus issue dated October 5, 2005 and October 24, 2005, respectively.

(3)The Board of Directors, in their meeting dated October 18, 1999 approved the allotment of 95,58,600 Equity Shares while 4,875 Equity Shares were kept in abeyance. As on the date of the Preliminary Placement Document, 19,500 Equity Shares are kept in abeyance, pursuant to the split of Equity Shares and bonus issue dated October 5, 2005 and October 24, 2005, respectively.

^ The Board of Directors, in their meeting held on December 21, 2005, approved the allotment of 20,964,360 shares to The Bank of New York, such shares representing the shares underlying the global depository receipts worth USD 599.99 lakhs.

[%]Certain corporate and secretarial records of our Company, including RoC filings, are not traceable by our Company, or with the RoC, in connection with the allotment of equity shares for certain allotments. For further details, see "Risk Factors - Our Company was incorporated in 1985 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation." on page 59. Accordingly, certain details in relation to the allotments made during this period, cannot be ascertained.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, the Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. For details of the names of the proposed Allottees and the percentage of the post Issue Equity Share capital that may be held by them, please, see "*Proposed Allottees*" on page 488.

Pre-Issue and post Issue shareholding pattern

The pre-Issue and post Issue shareholding pattern of our Company is set forth below.

S. No.	Category	Pre-Issue^ (As on September 30, 2024)		Post-Issue	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
1.	**Promoters' and Promoter Group holding**				
1.	Indian				
	Individual/ Hindu Undivided Family	2,63,46,224	26.76	2,63,46,224	20.95
	Bodies corporate	2,02,50,568	20.57	2,02,50,568	16.10
	Sub-total	**4,65,96,792**	**47.33**	**4,65,96,792**	**37.06**
2.	Foreign	2,37,800	0.24	2,37,800	0.19
	Sub-total (A)	**4,68,34,592**	**47.57**	**4,68,34,592**	**37.25**
2.	**Non – Promoter's holding**				
1.	Institutional Investors	36,73,974	3.34	3,09,59,103	24.62
2.	Non-Institutional Investors				
	Corporate bodies	46,51,782	4.72	46,51,782	3.70
	Directors and relatives	24,701	0.03	24,701	0.02
	Indian public (Resident Individuals)	3,76,77,298	38.27	3,76,77,298	29.96
	Others including Non-resident Indians (NRIs)	55,94,813	5.68	55,94,813	4.45
	Sub-total (B)	**5,16,22,568**	**52.43**	**7,89,07,697**	**62.75**
	Grand Total (A+B)	**9,84,57,160**	**100.00**	**12,57,42,289**	**100.00**

^ Based on beneficiary position data of our Company as on September 30, 2024.

Preference shares capital history of our Company

As on the date of this Placement Document, our Company does not have any outstanding preference shares.

Other Confirmations

(a) Except FCCBs, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

(b) The Promoters, the Directors and the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue.

(c) No change in control in our Company will occur consequent to the Issue.

(d) Our Company has not made any allotment of Equity Shares or preference shares, including for consideration other than cash, in the one year immediately preceding the date of filing of this Placement Document.

(e) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the Postal Ballot Notice to our Shareholders, i.e., January 25, 2024, for approving the Issue.

(f) As on the date of this Placement Document, our Company does not have an employee stock option plan.

(g) 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 Allottee for a period of one year from the date of allotment, except on recognised stock exchanges in India.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act, 2013 and the Articles of Association. The Board has approved and adopted a formal dividend distribution policy in accordance with Regulation 43A of the SEBI Listing Regulations on August 10, 2016 and further amendments to the policy were approved by the Board in its meetings dated on August 9, 2019 and August 30, 2022. In terms of this policy, the declaration of dividend is dependent on financial / internal parameters which include earnings per shares, distributable surplus available as per the Companies Act, 2013 and the SEBI Listing Regulations, operating cash flow and future cash flow needs, working capital requirements, favourable debt equity ratio and debts interest coverage ratio business forecast, upcoming projects, expansion plans, technology upgradation, merger and acquisitions, contingency funds, liquidity positions, accumulated reserves, capital expenditure requirements of our Company, investment in technology and earning stability. The declaration of dividend is also dependent on external factors which include the economy in which Company is operating, statutory requirements, legal requirements, regulatory conditions or restrictions laid down in applicable laws, capital markets, investor expectations, prevailing taxation structure, inflation rate, pricing pressures and logistics and supply chain. The dividend distribution policy is available on the Company's website at api.himatsingka.com/wp-content/uploads/2022/09/Dividend-Distribution-Policy.pdf.

Dividend on Equity Shares

The following table details the dividend paid by the Company on the Equity Shares for the three months ended June 30, 2024 and for Fiscals 2024, 2023 and 2022.

Particulars	Period			
	Three months ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Face value per Equity Shares (in ₹)	5	5	5	5
Total dividend per Equity Shares (in ₹)	Nil	0.25	Nil	0.50
Rate of dividend on Equity Shares (%)	NA	5%	NA	10%
Dividend amount (in ₹ lakhs)	NA	246.14	NA	492.28

Future Dividends

There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, operating cash flow of our Company, profit earned during the year, profit available for distribution, accumulated profits, free reserves, working capital requirement, capital expenditure requirement, business expansion and growth, additional investment in subsidiaries of our Company, economic environment, changes in governmental policies, regulatory changes and volatility in the capital markets.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Please also see the sections tilted "*Taxation*" and "*Risk Factors*" on page 470 and 44, respectively.

Prospective 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 issued in the Issue.

FINANCIAL STATEMENTS

Floor 4. Duckback House
41, Shakespeare Sarani
Kolkata 700017. INDIA

Independent Auditor's Review Report on consolidated unaudited financial results of Himatsingka Seide Limited for the quarter pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Himatsingka Seide Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Himatsingka Seide Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') and its share of net loss after tax and total comprehensive income of its associate for the quarter ended June 30, 2024 ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').

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 ('the Act') read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. 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 Engagements (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 specified under section 143(10) of the Act 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.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Regulations, to the extent applicable.

4. This Statement includes the results of the Holding Company and the following entities:

Sr. No	Name of the Entity	Relationship with the Holding Company
1.	Himatsingka Wovens Private Limited	Subsidiary
2.	Himatsingka Holdings North America Inc.	Subsidiary
3.	Himatsingka America Inc.	Step down Subsidiary
4.	Twill & Oxford LLC	Subsidiary (under liquidation)
5.	AMP Energy C&I Twenty Four Private Limited	Associate

5. 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 Statement 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 Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The Statement includes the financial results of two subsidiaries which have not been reviewed whose financial results reflects total revenue of ₹ Nil, total net profit/(loss) after tax of ₹ Nil and total comprehensive income / (loss) of ₹ Nil for the quarter ended June 30, 2024, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 0.26 lacs and total comprehensive loss of ₹ 0.26 lacs for the quarter ended June 30, 2024, as considered in the Statement, in respect of one associate based on their interim financial results which has not been reviewed by their auditor are not subject to review. These financial results 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 aforesaid subsidiaries and associate is based solely on such management prepared unaudited interim financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

   Our conclusion is not modified in respect of the above matter with respect to our reliance on the financial results certified by the management.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 24060568BKDZIC2071

Place: Kolkata
Date: August 03, 2024

Himatsinka

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2024

(₹ Lacs except per share data)

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		(Unaudited)	(Refer note 4)	(Unaudited)	(Audited)
	Income				
I	Revenue from operations	73,545.99	69,686.53	68,214.17	2,84,145.10
II	Other income	262.21	593.54	439.91	2,113.30
III	**Total Income (I+II)**	**73,808.20**	**70,280.07**	**68,654.08**	**2,86,258.40**
IV	**Expenses**				
	(a) Cost of raw materials and packing material consumed	31,575.83	32,741.50	30,072.00	1,30,521.11
	(b) Purchases of stock-in-trade	2,262.69	-	51.68	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,347.23	(3,242.69)	(1,467.54)	(8,495.53)
	(d) Employee benefits expenses	7,089.94	7,922.28	7,590.60	30,759.15
	(e) Finance costs	8,183.36	8,284.82	6,637.18	29,646.60
	(f) Depreciation and amortisation expenses	3,763.82	3,763.95	4,135.40	15,810.36
	(g) Other expenses	16,642.60	17,804.29	17,197.87	71,740.47
	Total expenses (IV)	**70,865.47**	**67,274.15**	**64,217.19**	**2,69,982.16**
V	**Profit before tax (III-IV)**	**2,942.73**	**3,005.92**	**4,436.89**	**16,276.24**
VI	**Tax expense**				
	-Current tax charge	960.30	2,562.79	821.35	5,193.11
	-Deferred tax charge / (credit)	(73.34)	(1,930.87)	700.57	(199.09)
	Total tax expense (VI)	**886.96**	**631.92**	**1,521.92**	**4,994.02**
VII	**Profit after tax before share of associates (V-VI)**	**2,055.77**	**2,374.00**	**2,914.97**	**11,282.22**
VIII	**Share of loss of associates**	**(0.26)**	-	-	-
IX	**Profit for the period / year (VII+VIII)**	**2,055.51**	**2,374.00**	**2,914.97**	**11,282.22**
X	**Other Comprehensive Income / (loss)**				
i	Items that will not be reclassified to statement of profit or loss				
	- Remeasurements of employees defined benefit plan	35.38	141.53	96.79	(388.01)
	- Income tax on (i) above	(12.36)	(49.45)	(33.82)	135.59
ii	Items that may be reclassified to statement of profit or loss				
	- Exchange differences in translating the financial statements of foreign operations	5.78	(16.88)	(1,703.00)	(559.12)
	- Effective portion of gains and losses on designated portion of hedging instruments in cash flow hedge	138.03	3.51	777.15	803.68
	- Income tax on (ii) above	(48.23)	(1.17)	(271.63)	(280.84)
	Total other comprehensive income / (loss) for the period / year (X)	**118.60**	**77.54**	**(1,134.51)**	**(288.70)**
XI	**Total comprehensive income for the period / year (IX+X)**	**2,174.11**	**2,451.54**	**1,780.46**	**10,993.52**
XII	**Paid up equity share capital (Face value of ₹ 5 per equity share)**	**4,922.86**	**4,922.86**	**4,922.86**	**4,922.86**
XIII	Reserves (Other equity)				1,50,972.12
XIV	**Earnings per equity share of ₹ 5:**	not annualised	not annualised	not annualised	annualised
	(a) Basic	**2.09**	**2.41**	**2.96**	**11.46**
	(b) Diluted	**2.04**	**2.34**	**2.88**	**11.03**

See accompanying notes to the consolidated unaudited financial results

Himatsingka Seide Limited
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CIN L17112KA1985PLC006647
www.himatsingka.com

D.K. Himatsingka

Himatsingka Seide Ltd.

MSKA & ASSOCIATES Chartered Accountants

Himatsingka

NOTES:

1 The above consolidated unaudited financial results ("the Statement") of Himatsingka Seide Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries collectively "the Group") and its associates are prepared in accordance with applicable accounting standards i.e., Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated results above includes figures for the following subsidiary companies (including step down subsidiary) and associate company:

a Himatsingka Wovens Private Limited (subsidiary)
b Himatsingka Holdings NA Inc (subsidiary)
c Himatsingka America Inc (step down subsidiary)
d Twill & Oxford LLC (subsidiary under liquidation)
e AMP Energy C&I Twenty Four Private Limited (associate)

2 The Statement of the Holding Company for the quarter ended 30 June 2024 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 03 August 2024.

3 The figures for the quarter ended 30 June 2024 have been subjected to limited review by the Statutory Auditors of the Holding Company. The review report of the Statutory Auditor is being filed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and is also available on the Company's website at www.himatsingka.com

4 The figures for the quarter ended 31 March 2024 are the balancing figure between the audited figures of the full financial year and unaudited year to date figure upto the third quarter of the previous financial year, which had been subject to limited review.

5 Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Holding Company shall publish the consolidated unaudited financial results in the newspapers. However, the standalone unaudited financial results will be made available on the stock exchanges websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) and on Company's website www.himatsingka.com.

6 The Group and its associate has evaluated its operating segments in accordance with Ind AS 108, and has concluded that it is engaged in a single operating segment viz Textiles on the basis of decisions taken for allocation of resources by the Chief Operating Decision Makers (CODM) and the internal business reporting system for evaluation of operational results.

7 Additional information on standalone financial results

(₹ lacs)

Particulars	Quarter ended			Year ended
	30.06.2024 (Unaudited)	31.03.2024 (Refer note 4)	30.06.2023 (Unaudited)	31.03.2024 (Audited)
a Revenue from operations	61,580.74	63,224.50	63,015.37	2,54,910.20
b Profit before tax	2,922.75	2,991.19	4,532.58	16,416.78
c Profit after tax	2,030.03	2,430.88	3,000.51	11,539.74
d Total comprehensive income	2,142.85	2,525.30	3,569.00	11,810.16

Bengaluru
03 August 2024

D K Himatsingka
Dinesh Himatsingka
Executive Chairman

Shrikant Himatsingka
Executive Vice Chairman & Managing Director

Himatsingka Seide Ltd.

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41, Shakespeare Sarani
Kolkata 700017, INDIA

Independent Auditor's Review Report on standalone unaudited financial results of Himatsingka Seide Limited for the quarter pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To The Board of Directors of Himatsingka Seide Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Himatsingka Seide Limited** (hereinafter referred to as 'the Company') for the quarter ended June 30, 2024 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').

2. This Statement, which is the responsibility of the Company's Management and has been approved by the 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 ('the Act') read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. 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 Engagements (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 specified under section 143(10) of the Act 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.

MSKA & ASSOCIATES * Chartered Accountants *

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement 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 Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 24060568BKDZIB1777

Place: Kolkata
Date: August 03, 2024

Himatsingka

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2024

(₹ Lacs except per share data)

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		(Unaudited)	(Refer note 4)	(Unaudited)	(Audited)
	Income				
I	Revenue from operations	61,580.74	63,224.50	63,015.37	2,54,910.20
II	Other income	236.97	572.60	421.62	2,674.71
III	**Total income (I+II)**	**61,817.71**	**63,797.10**	**63,436.99**	**2,57,584.91**
IV	**Expenses**				
	(a) Cost of raw materials and packing material consumed	30,702.40	49,041 78	31,113.48	1,43,986.61
	(b) Changes in inventories of finished goods and work-in-progress	422.79	(17,911.75)	515.38	(18,660.13)
	(c) Employee benefits expenses	6,361.10	7,148.76	6,761.89	27,663.16
	(d) Finance costs	6,761.19	6,966.34	5,371.21	24,066.83
	(e) Depreciation and amortisation expenses	2,866.69	2,864.34	2,889.91	11,604.17
	(f) Other expenses	11,780.79	12,696.44	12,252.54	52,507.49
	Total expenses (IV)	**58,894.96**	**60,805.91**	**58,904.41**	**2,41,168.13**
V	**Profit before tax (III-IV)**	**2,922.75**	**2,991.19**	**4,532.58**	**16,416.78**
VI	**Tax expense**				
	-Current tax	951.25	2,490.70	814 95	5,058.00
	-Deferred tax charge / (credit)	(58.53)	(1,930 39)	717 12	(180.96)
	Total tax expense (VI)	**892.72**	**560.31**	**1,532.07**	**4,877.04**
VII	**Profit for the period / year (V -VI)**	**2,030.03**	**2,430.88**	**3,000.51**	**11,539.74**
VIII	**Other comprehensive income**				
i	Items that will not be reclassified to statement of profit or loss				
	- Remeasurements of employees defined benefit plan	35 38	141.53	96.79	(388.01)
	- Income tax on (i) above	(12.36)	(49.45)	(33.82)	135 59
ii	Items that may be reclassified to statement of profit or loss				
	- Effective portion of gains and losses on designated portion of hedging instruments in cash flow hedge	138 03	3.51	777.15	803.68
	- Income tax on (ii) above	(48.23)	(1.17)	(271.63)	(280.84)
	Total other comprehensive income for the period / year (VIII)	**112.82**	**94.42**	**568.49**	**270.42**
IX	**Total comprehensive income for the period / year (VII+VIII)**	**2,142.85**	**2,525.30**	**3,569.00**	**11,810.16**
X	**Paid up equity share capital (Face value of ₹ 5 per equity share)**	**4,922.86**	**4,922.86**	**4,922.86**	**4,922.86**
XI	Reserves (Other equity)				1,73,616.37
XII	**Earnings per equity share of ₹ 5:**	not annualised	not annualised	not annualised	annualised
	(a) Basic	**2.06**	**2.47**	**3.05**	**11.72**
	(b) Diluted	**2.01**	**2.39**	**2.96**	**11.28**

See accompanying notes to the standalone unaudited financial results

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D.K. Himatsingka

MSKA & ASSOCIATES Chartered Accountants

Himatsingka Seide Ltd.

Himatsingka

NOTES:

1 The above standalone unaudited financial results ('the Statement') of Himatsingka Seide Limited ("the Company") have been prepared in accordance with applicable accounting standards i e , Ind AS prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

2 The Statement of the Company for the quarter ended 30 June 2024 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 03 August 2024

3 The figures for the quarter ended 30 June 2024 have been subjected to limited review by the Statutory Auditors of the Company. The review report of the Statutory Auditor is being filed with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and is also available on the Company's website at www himatsingka com

4 The figures for the quarter ended 31 March 2024 are the balancing figure between the audited figures of the full financial year and unaudited year to date figure upto the third quarter of the previous financial year, which had been subject to limited review

5 Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall publish the consolidated unaudited financial results in the newspapers However, the standalone unaudited financial results will be made available on the stock exchanges websites of BSE (www.bseindia com) and NSE (www nseindia com) and on Company's website www himatsingka com

6 The Company has evaluated its operating segments in accordance with Ind AS 108, and has concluded that it is engaged in a single operating segment viz Textiles on the basis of decisions taken for allocation of resources by the Chief Operating Decision Makers (CODM) and the internal business reporting system for evaluation of operational results

D.K. Himatsingka

Bengaluru
03 August 2024

Executive Chairman

Shrikant Himatsingka
Executive Vice Chairman & Managing Director

Himatsingka Seide Ltd.

MSKA & Associates Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Himatsingka Seide Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Himatsingka Seide Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, its consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Revenue recognition** (Refer note 2.3to the material accounting policies and the disclosures related to revenues in note 22 to the consolidated financial statements) As per Ind AS 115 Revenue from Contracts with Customers, revenue	Our audit procedures in respect of this area included: 1. Evaluated the appropriateness of the revenue recognition accounting policies of the Company with the principles of Indian Accounting Standard 115 - ' Revenue from contracts with customer' ('Ind AS 115').

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Ahmedabad | Bengaluru | Chennai | Goa | Gurugram | Hyderabad | Kochi | Kolkata | Mumbai | Pune
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Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. Revenue from sale of goods is recognised at a point in time when control is transferred to customer and there is no unfulfilled obligation. The Holding Company and its external stakeholders focus on revenue as a key performance indicator. This could result in a risk of revenue being overstated or recognised before control has been transferred. Because of the above factors, we have identified revenue recognition as a key audit matter.	2. Evaluated the design, implementation and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general information and technology control environment, key IT application controls over the Company's IT systems which govern revenue recognition and sales return in the accounting system. 3. Performed substantive 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 cut off testing to ensure that the revenue is recorded in the appropriate period by reviewing the Holding Company's revenue recognition policies, testing samples of revenue transactions near the end of the reporting period and verified shipping and billing documents to ensure that the revenue is recorded in correct accounting period. 5. Obtained the historical trends for revenue and corresponding sales returns based on the accounting records maintained by the Holding Company. 6. Ensured completeness and existence assertion by performing substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable and obtaining independent balance confirmation from the customers at the balance sheet date. 7. Tested on a sample basis, manual journal entries relating to revenues to identify and inquire on unusual items, if any. 8. Performed analytical procedures on revenue recognised during the year to identify and inquire on unusual variances, if any and getting the reasons for

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Independent Auditor's Report to the Members of Himatsingka Seide Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2024 (cont'd)

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		variances confirmed from the management of the Holding Company. 9. Assessed the underlying assumptions and estimates used for determination of variable consideration and tested rebates and discount provided to the customers on a sample basis, comparing the same with underlying approvals and terms of the contracts and schemes offered to customers. 10. Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements to ensure they are accurate, complete, and comply with the requirements of Ind AS 115 - ' Revenue from contracts with customer'.
2	**Impairment of goodwill** (Refer note 2.11 to the material accounting policies and the disclosures related to goodwill in note 4 to the consolidated financial statements) The Group has goodwill on account of Himatsingka America Inc (step-down subsidiary) of ₹ 53,086.10 lacs as on March 31, 2024 (₹ 52,386.74 lacs as on March 31, 2023). Goodwill represents 9.16% of the Group's total assets and 34.05% of the Group's total equity. The Group performs impairment testing for goodwill annually in accordance with the requirements of Ind AS-36 "Impairment of Assets", to test whether the recoverable value is below carrying amount as on March 31, 2024. In performing such impairment assessments, the Group compared the carrying value of the identifiable cash generating units ("CGUs") to which goodwill had been allocated to their 'value in use'. The computation is based on discounted forecast cash flow method, to determine any impairment loss.	Our audit procedures in respect of this area included: 1. Assessed the appropriateness of the Company's/Group's accounting policies relating to the impairment of goodwill with Indian Accounting Standard 36 - Impairment of Assets ('Ind AS 36'). 2. Obtained an understanding of the process followed by the management of Holding Company in respect of performing annual impairment analysis and tested the design, implementation and operating effectiveness of the internal controls related to the process of assessment of the annual impairment, including controls over determination of recoverable amounts of CGUs determined by the Holding Company. 3. Evaluated the Group's identification of CGUs, the carrying value of CGU and the valuation methodology followed by the Group for impairment assessment in compliance with the prevailing Indian Accounting Standards. 4. Evaluated the reasonableness of the key assumptions used in computing recoverable amount of CGUs, such as, growth rates, profitability, discount rates, etc., with reference to our understanding of the business and historical trends.

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Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	In determining the recoverable value of CGU, the Group has applied judgment in estimating future revenues, profit margins, long-term growth rate and discount rates, which involves inherent uncertainty since they are based on future business prospects and economic outlook. Changes in certain estimates and assumptions can lead to significant changes in the recoverable value and the assessment of impairment. Due to the materiality of the amount in the context of the consolidated financial statements and significant management judgement required for estimation of recoverable value of CGU, this is considered as a key audit matter.	5. Tested key assumptions used by the Group external experts in computing fair value of the CGUs' future revenues, profit margins, long-term growth rate and discount rates. Also, evaluated the competence and objectivity of the external valuation specialist engaged by the management. 6. Involved internal experts for reviewing the reasonableness of the model and the valuation derived from the model. 7. Tested completeness and accuracy of the data input into the model for developing the estimates. 8. Performed a sensitivity analysis to evaluate the impact of changes in key assumptions individually or collectively to the recoverable value. 9. Assessed and validated the adequacy and appropriateness of the disclosures made by the management as per requirement of Ind AS 36 -'Impairment of Assets' in the consolidated financial statements.
3	**Recognition of government grants and assessment of its recoverability** (Refer note 2.7 to material accounting policies and the disclosures related to government grants in Note 7 and 9 to the accompanying consolidated financial statements.) The Holding Company is eligible for government grants under various schemes enacted by the State and the Central Government. Each of these schemes requires fulfilment of certain conditions by the Holding Company to be eligible to receive the grant. Recognition of grants (including its classification as capital or revenue grant) requires a suitable assurance by the Holding Company towards compliance with the conditions specified in the relevant schemes and that the grants will be received. The assessment of fulfilment of relevant conditions specified in the grant at the	Our audit procedures in respect of this area included: 1. Evaluated the government grant accounting policies adopted by the management of the Holding Company, for compliance are with Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance 2. Tested the design and operating effectiveness of internal controls with respect to recognition of grants (including its classification as capital or revenue grant) and assessment of its recoverability. 3. Performed substantive testing, on a sample basis, towards recognition of grants in accordance with the respective schemes, its classification as revenue or capital grant and verified the same with supporting documents. 4. Evaluated the Holding Company's assessment of recoverability of respective grants based on ageing analysis and obtained explanations from management

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Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	time of recognition involves judgement and assumptions which are subject to uncertainty. The Holding Company reassesses the recoverability of these grants at each balance sheet date. We have identified recognition of grant and assessment of its recoverability as a key audit matter because of the complexities in establishing the compliance with the eligibility conditions of the grant and judgement involved towards assessment of its recoverability and related provisions made considering the delayed recoveries in accordance with Ind AS 109 'Financial Instruments'.	to assess the adequacy of the level of provision, if any, required for amounts considered recoverable. 5. Tested the ageing analysis for matter that are not under litigation, and assessed the information used by the management to determine the recoverability of these grants by considering collections against historical trends. 6. Tested the arithmetical accuracy of the calculation of accrual of export benefits and prevailing discount on e-Scrips in compliance with the relevant conditions as specified in the notifications and policies, as applicable. 7. Evaluated management's assessment of determination of provision for time value of money determined on the basis of expected credit loss methodology, evaluated the reasonableness of expected credit loss amount and assessed whether the requirements of applicable accounting principles have been complied. 8. Assessed and validated the adequacy and appropriateness of the disclosures made by the management as per requirement of Ind AS 20 -' Accounting for Government Grants and Disclosure of Government Assistance' in the consolidated financial statements.

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 and Director's report but does not include the consolidated financial statements and our auditor's report thereon. The Management report, Chairman's statement and Director's report 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.

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When we read the Management report, Chairman's statement and Director's report, 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 including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 1,31,993.38 lacs as at March 31, 2024, total revenues of ₹ Nil lacs, and net cash flows amounting to ₹ 2.19 lacs, for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report 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 this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act,

MSKA & ASSOCIATES ★ Chartered Accountants in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

b. We did not audit the financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets of ₹ Nil lacs as at March 31, 2024, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information 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 this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary referred to in the Other Matters section above we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 (h)(vi) below on reporting under Rule 11(g)

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and our report on the statutory audit of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph 2 (h) (vi) below on reporting under Rule 11(g).

   g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. - Refer Note 30 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

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

iv. (a) The respective Managements of the Holding Company and one of its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us 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 by its subsidiary Company to or in any other 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 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 its subsidiary Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and one of its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or by its subsidiary Company 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 its subsidiary Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, and according to the information and explanations provided to us by the Management of the Holding company and its subsidiary Company in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement;

v. On the basis of our verification, we report that the Board of Directors of the Holding Company, 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 15 to the consolidated financial statements);

vi. In regard to SAP S4 HANA

Based on our examination, except for the instances mentioned below, the Holding Company and 1 subsidiary company, incorporated in India have used an accounting software for maintaining their respective books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has

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operated throughout the year for all relevant transactions recorded in the software, and further, we did not come across any instance of audit trail feature being tampered with at application level.

In respect of Holding Company and 1 subsidiary company, the accounting software used by these companies for maintaining their books of account for the year ended March 31, 2024 had the feature of recording audit trail (edit log) facility. However, audit trail feature was not enabled and operated with respect to certain relevant transactions throughout the year at application level, and was not enabled throughout the year at the database level to log any direct data changes.

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 three subsidiaries, as the provisions of the aforesaid section is not applicable to these companies.

3. According to the information and explanations given to us, the details of qualifications/adverse remarks in the Companies (Auditors' Report) Order 2020 ('CARO') report issued by us for the Holding Company and our CARO report on the subsidiary company incorporated in India issued till the date of our audit report in the consolidated financial statements are as follows:

Sr. No.	Name of the Company	CIN	Type of Company (Holding /Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1.	Himatsingka Seide Limited	L17112KA1985PLC006647	Holding Company	Clause 3(i)(c)
2.	Himatsingka Seide Limited	L17112KA1985PLC006647	Holding Company	Clause 3(vii)(a)

For M S K A & Associates
Chartered Accountants
ICAI Firm Registra... No.105047W

Vikram
Partner
Membership No.
UDIN: 24060568BKDZHJ8792

Place: Bengaluru
Date: May 23, 2024

Annexure A to the Independent Auditor's Report on even date on the Consolidated Financial Statements of Himatsingka Seide Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.

- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities 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.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Vikram Dhanania
Partner
Membership No. 060568
UDIN: 24060568BKDZHJ8792

Place: Bengaluru
Date: May 23, 2024

Annexure B to the Independent Auditor's Report on even date on the Consolidated Financial Statements of Himatsingka Seide Limited

[Referred to in paragraph (2) (g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Himatsingka Seide Limited on the consolidated Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Himatsingka Seide Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company and its subsidiary company (the Holding Company and its subsidiary 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 and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management and Board of Director's responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company and its subsidiary company, 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 and its subsidiary company, 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

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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, 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 company, 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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Vikran
Partne
Membership No.
UDIN: 24060568BKDZHJ8792

Place: Bengaluru
Date: May 23, 2024

Himatsingka Seide Limited
CIN: L17112KA1985PLC006647
Consolidated Balance Sheet as at 31 March 2024

(₹ Lacs)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	2,29,404.60	2,40,777.72
Capital work-in-progress	3.1	3,221.06	2,988.06
Goodwill	4	53,086.10	52,386.74
Other Intangible assets	3.3	4,267.61	5,807.33
Right-of-use assets	31	7,916.45	9,430.43
Financial assets			
(i) Investments	5A	24.01	23.67
(ii) Loans	6	-	56.07
(iii) Other financial assets	7	2,320.73	2,206.65
Deferred tax assets (net)	8B	1,720.12	1,672.23
Income tax assets (net)	8A	1,514.02	1,514.02
Other non-current assets	9	3,597.70	5,364.25
Total non-current assets		**3,07,072.40**	**3,22,227.17**
Current assets			
Inventories	10	97,964.23	88,484.70
Financial assets			
(i) Investments	5B	171.91	964.52
(ii) Trade receivables	11	90,165.71	67,002.37
(iii) Cash and cash equivalents	12A	3,544.27	5,875.04
(iv) Bank balances other than (iii) above	12B	12,848.39	4,929.18
(v) Loans	6	78.43	84.93
(vi) Other financial assets	7	33,319.39	20,865.73
Other current assets	9	25,730.77	34,550.75
Assets held for sale	13	8,555.60	8,434.11
Total current assets		**2,72,378.70**	**2,31,191.33**
Total assets		**5,79,451.10**	**5,53,418.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	4,922.86	4,922.86
Other equity	15	1,50,972.12	1,39,978.60
Total equity		**1,55,894.98**	**1,44,901.46**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	1,59,016.44	1,47,698.34
(ii) Lease liabilities	31	8,967.48	9,830.31
Provisions	17	2,127.57	1,778.86
Deferred tax liabilities (net)	8B	10,087.26	8,163.20
Other non-current liabilities	18	22,981.92	24,788.67
Total non-current liabilities		**2,03,180.67**	**1,92,259.38**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	1,20,796.32	1,21,796.89
(ii) Lease liabilities	31	1,004.42	1,277.66
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	20	14,632.98	8,122.27
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	69,517.48	73,329.39
(iv) Other financial liabilities	21	6,371.42	7,537.31
Other current liabilities	18	3,142.66	3,106.77
Provisions	17	1,545.93	1,071.78
Current tax liabilities (net)	8A	3,364.24	15.59
Total current liabilities		**2,20,375.45**	**2,16,257.66**
Total liabilities		**4,23,556.12**	**4,08,517.04**
Total equity and liabilities		**5,79,451.10**	**5,53,418.50**
Summary of material accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

Vikram Dhanania
Partner
Membership number: 060568

Place: Bengaluru
Date: 23 May 2024

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date: 23 May 2024

Place: Bengaluru
Date: 23 May 2024

Himatsingka Seide Limited
CIN: L17112KA1985PLC006647
Consolidated Statement of Profit and Loss for the year ended 31 March 2024

(₹ Lacs)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	22	2,84,145.10	2,67,774.26
Other income	23	2,113.30	7,501.85
Total income		**2,86,258.40**	**2,75,276.11**
Expenses			
Cost of raw materials and packing materials consumed	24A	1,30,521.11	1,28,291.08
Purchases of stock-in-trade	24B	-	6,533.54
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24C	(8,495.53)	19,386.15
Employee benefits expense	25	30,759.15	28,160.14
Finance costs	26	29,646.60	25,723.16
Depreciation and amortisation expense	27	15,810.36	16,403.32
Other expenses	28	71,740.47	58,301.39
Total expenses		**2,69,982.16**	**2,82,798.78**
Profit / (loss) before tax		**16,276.24**	**(7,522.67)**
Tax expense			
Current tax	33	5,193.11	15.43
Deferred tax	33	(199.09)	(1,130.13)
Total tax expense		**4,994.02**	**(1,114.70)**
Profit / (loss) for the year		**11,282.22**	**(6,407.97)**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plan		(388.01)	387.14
Income tax effect on above		135.59	(135.28)
B. Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(559.12)	5,591.75
Effective portion of gain/(loss) on hedging instruments in cash flow hedge		803.68	(1,558.85)
Income tax effect on above		(280.84)	544.72
Other comprehensive income / (loss) for the year, net of tax		**(288.70)**	**4,829.48**
Total comprehensive income / (loss) for the year		**10,993.52**	**(1,578.49)**
Earnings / (loss) per equity share (face value of ₹ 5 each)			
Basic (in ₹)	34	**11.46**	**(6.51)**
Diluted (in ₹)	34	**11.03**	**(6.51)**
Summary of material accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Vikram Dhanania
Partner
Membership number: 060568

Place: Bengaluru
Date 23 May 2024

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Himatsingka Seide Limited ★

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Himatsingka Seide Limited
CIN: L17112KA1985PLC006647
Consolidated Statement of Cash Flows for the year ended 31 March 2024

(₹ Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit / (loss) for the year	11,282.22	(6,407.97)
Adjustments for:		
Finance costs	29,646.60	25,723.17
Interest income	(498.97)	(373.02)
Net gain on sale of current investments	-	(8.73)
Net loss / (gain) on disposal of property, plant and equipment	574.42	(1,895.80)
Loss allowance on financial assets (net)	910.42	256.61
Amortized value of employee loans and security deposits	6.86	7.31
Depreciation and amortisation expense	15,810.36	16,403.32
Provision no longer required written back	(280.00)	-
Net unrealised foreign exchange (gain) / loss on non operating activities	(16.49)	472.80
Rental income from operating lease	(94.60)	-
Tax expense	4,994.02	(1,093.04)
Operating profit before working capital changes	**62,334.84**	**33,084.65**
Adjustments for changes in working capital		
Increase in trade receivables	(24,976.08)	(25,156.44)
(Increase) / decrease in inventories	(8,583.78)	30,632.63
(Increase) / decrease in other assets	1,706.06	(502.74)
Increase in trade payables	1,234.96	3,172.79
Increase / (decrease) in provisions	434.87	(207.56)
Increase / (decrease) in other liabilities	175.97	(966.08)
Cash generated from operations	**32,326.84**	**40,057.25**
Income taxes paid (net)	(93.30)	(4,645.99)
Net cash generated from operating activities (A)	**32,233.54**	**35,411.26**
Cash flows from investing activities		
Proceeds from sale of current investments (net)	-	353.70
Interest received	442.26	539.97
Acquisition of property, plant and equipment and intangible assets (net)	(4,841.64)	(972.93)
Income from investment property	94.60	-
Investment in fixed deposits	(37,900.18)	(16,901.49)
Proceeds from fixed deposits maturity	30,467.15	17,198.74
Net cash generated from / (used in) investing activities (B)	**(11,737.81)**	**217.99**
Cash flows from financing activities		
Proceeds from / (repayment of) current borrowings (net)	(12,006.11)	4,070.23
Proceeds from non-current borrowings	36,916.16	69,788.11
Repayment of non-current borrowings	(13,927.28)	(86,372.58)
Dividends paid on equity shares	-	(492.29)
Payment of lease liabilities	(1,843.32)	(2,249.03)
Proceeds from government subsidies	1,289.00	2,748.47
Interest paid	(33,235.85)	(27,582.29)
Net cash flow used in financing activities (C)	**(22,807.40)**	**(40,089.38)**
Net decrease in cash and cash equivalents (A+B+C)	**(2,311.67)**	**(4,460.13)**
Cash and cash equivalents at the beginning of the year	5,875.04	11,548.96
Effects of exchange rate changes on cash and cash equivalents	(19.10)	(1,213.79)
Cash and cash equivalents at the end of the year	**3,544.27**	**5,875.04**
Components of cash and cash equivalents (refer note 12A)		
Cash and cash equivalents comprise of:		
Cash in hand	10.41	6.63
Balance with banks		
- in current accounts	3,533.86	5,868.41
Total	**3,544.27**	**5,875.04**

MSKA & ASSOCIATES ★ Chartered Accountants ★

Himatsingka Seide Limited ★

Himatsingka Seide Limited
CIN: L17112KA1985PLC006647
Consolidated Statement of Cash Flows for the year ended 31 March 2024

Reconciliation of movements of liabilities to cash flows arising from financing activities (₹ Lacs)

	Opening balance 1 April 2023	Net cash flows	Non-cash movement	Closing balance 31 March 2024
Non current borrowings (including current maturities of non current borrowings)	1,60,425.26	22,988.88	(669.15)	1,82,744.99
Current borrowings (excluding current maturities of non current borrowings)	1,09,069.97	(12,006.11)	3.91	97,067.77
Interest accrued but not due	2,362.43	(33,235.85)	33,396.36	2,522.94
Total liabilities from financing activities	**2,71,857.66**	**(22,253.08)**	**32,731.12**	**2,82,335.70**

Reconciliation of movements of liabilities to cash flows arising from financing activities (₹ Lacs)

	Opening balance 1 April 2022	Net cash flows	Non-cash movement	Closing balance 31 March 2023
Non current borrowings (including current maturities of non current borrowings)	1,75,934.30	(16,584.47)	1,075.43	1,60,425.26
Current borrowings (excluding current maturities of non current borrowings)	1,04,607.02	4,070.23	392.72	1,09,069.97
Interest accrued but not due	1,781.75	(27,582.29)	28,162.97	2,362.43
Total liabilities from financing activities	**2,82,323.07**	**(40,096.53)**	**29,631.12**	**2,71,857.66**

The Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

Summary of material accounting policies (refer note 2)

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Vikram Dhanania
Partner
Membership number: 060568

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Himatsingka Seide Limited ★

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Himatsingka Seide Limited
CIN: L17112KA1985PLC006647
Consolidated Statement of Changes in Equity for the year ended 31 March 2024

A. Equity share capital (refer note 14)

(₹ Lacs)

Particulars	Amount
Balance as at 01 April 2022	**4,922.86**
Changes in equity share capital during the year	-
Balance as at 31 March 2023	**4,922.86**
Changes in equity share capital during the year	-
Balance as at 31 March 2024	**4,922.86**

B. Other Equity

(₹ Lacs)

Particulars	Reserves and surplus (Refer note 15)						Other comprehensive income (Refer note 15)		Total Other Equity
	Capital reserve on consolidation	Capital reserve	Securities premium reserve	General reserve	Legal reserve	Retained earnings	Effective portion of cash flow hedge	Foreign currency translation reserve	
Balance as at 1 April 2022	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.01**	**88,554.39**	**619.67**	**7,231.92**	**1,42,048.49**
Loss for the year	-	-	-	-	-	(6,407.97)	-	-	**(6,407.97)**
Other comprehensive income for the year, net of tax	-	-	-	-	-	251.86	(1,014.13)	5,591.75	**4,829.48**
Payment of dividend	-	-	-	-	-	(492.29)	-	-	**(492.29)**
Foreign exchange differences	-	-	-	-	0.89	-	-	-	**0.89**
Balance as at 31 March 2023	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.90**	**81,905.99**	**(394.46)**	**12,823.67**	**1,39,978.60**
Balance as at 1 April 2023	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.90**	**81,905.99**	**(394.46)**	**12,823.67**	**1,39,978.60**
Profit for the year	-	-	-	-	-	11,282.22	-	-	**11,282.22**
Other comprehensive income for the year, net of tax	-	-	-	-	-	(252.42)	522.84	(559.12)	**(288.70)**
Balance as at 31 March 2024	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.90**	**92,935.79**	**128.38**	**12,264.55**	**1,50,972.12**

Summary of material accounting policies (refer note 2)

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

Vikram Dhanania
Partner
Membership number: 060568

Place: Bengaluru
Date : 23 May 2024

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing I
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Corporate information

Himatsingka Seide Limited ("the Holding Company") is incorporated and domiciled in India. The Holding Company together with its subsidiaries (including step subsidiaries) is collectively referred to as ("the Group"). The Holding Company is a public limited company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange. The Group is primarily engaged in manufacturing, sale and distribution of textile products. The Group has two manufacturing facilities in India and has retail and distribution businesses across North America, Europe and Asia.

The Group's consolidated financial statements were approved by the Holding Company's Board of Directors on 23 May 2024.

The registered office of the Holding Company is 10/24, Kumara Krupa Road, High Grounds, Bengaluru – 560 001.

1. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III and other relevant provisions of the Act.

1.1 Functional and presentation currency

These consolidated financial statements are presented in India Rupees (₹), which is also the Holding Company's functional currency. All amounts have been presented in rupees in lacs and rounded off upto two decimals.

1.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis of accounting except:

a. Defined benefit and other long-term employee benefits that are measured at present value of defined benefit obligations less fair value of plan assets.
b. Certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The Group has consistently applied the following accounting policies to all the years presented in the consolidated financial statements.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

1.3 Use of estimates, assumptions, and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses for the year reported. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimates are revised, and future periods are affected.

Assumptions, judgements, and estimations

Information about assumptions, judgements and estimations that have a significant risk of resulting in a material adjustment during the year ended 31 March 2024 is summarized below:

<u>Determination of the estimated useful lives:</u>
Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, these are estimated by management taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

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Recognition and measurement of defined benefit obligations:
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Impairment testing:
Property, plant and equipment, right of use assets, investments, goodwill, intangible assets and other assets are tested for impairment at least annually and when event occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimate and assumptions which includes growth rates and net margins used to calculate projected future cash flows, risk- adjusted discount rate, future economic and market conditions

Expected credit losses on financial assets:
The Group recognises an allowance for expected credit losses (ECL) for all financial assets not held at fair value through profit or loss. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate (in case of non-current financial assets).

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Provisions & contingent liabilities:
The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision.

Government Grants:
The Group is eligible for government grants under various schemes issued by the State and the Central Government. Each of these schemes requires fulfilment of conditions by the Group to be eligible to receive the grant. Recognition of grants (including its classification as capital or revenue grant) requires judgement and assumptions, which are subject to uncertainty, regarding compliance with the conditions specified in the relevant schemes and receipt of the grants. The Group reassesses the recoverability of these grants at each balance sheet date and makes appropriate provisions, where required.

1.4 Measurement of fair values

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

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.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 inputs are 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); and
[illegible] for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 35-financial instruments.

1.5 Current versus non-current classification

All assets and liabilities have been classified as current or non-current based on the Group's normal operating cycle for its businesses, as per the criteria set out in Schedule III to the Act.

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

2. Material accounting policies

2.1 Basis of consolidation

The Group consolidates all entities which are controlled by it. Subsidiaries are the entities controlled by the Group. The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries (including step subsidiaries) as disclosed in Note 40.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date control ceases.

The consolidated financial statements of the subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform policies in use at the Group.

Assets and liabilities of entities with functional currency other than the functional currency of the Holding Company have been translated using exchange rates prevailing on the balance sheet date. Consolidated statement of profit and loss of such entities has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

2.2 Business combination

The Group accounts for its business combinations under the acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved, and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

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2.3 Revenue recognition

Revenue from contracts with customers -sale of goods:

Revenue is recognised upon transfer of control of promised goods to customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group derives its revenue primarily from sale of products.

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at transaction price received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Revenue from sale of products is recognised at a point in time when control is transferred to customer.

The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Scrap sales:

Revenue from sale of scrap is measured at the transaction price of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per the terms of contract with customers.

Contract balances:

Trade receivables

A trade receivable is recognized if the amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section – Financial instruments – initial recognition and subsequent measurement.

Cost to obtain a contract and cost to fulfil a contract

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term as reduction in revenue.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognized.

2.4 Other income

Other income comprises interest income, and gain/ (losses) on disposal of financial assets and non-financial assets. It is recognized on an accrual basis except where the receipt of income is uncertain.

Interest income is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to:

- The gross carrying amount of the financial asset: or
- The amortised cost of the financial liability.

Dividend income is recognized when the right to receive dividend is established.

2.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(i) Right-of-use assets

The Group recognizes a right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less accumulated amortization, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the consolidated statement of profit and loss.

(ii) Lease liabilities

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses an incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in consolidated statement of profit and loss.

(iii) Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss due to its operating nature.

2.6 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs allocated to and utilized for qualifying assets pertaining to the period from commencement of activities directly attributable to the acquisition, construction or production upto the date of capitalization of such asset are added to the cost of the assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

2.7 Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifyin[illegible] them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants oth[illegible] assets.

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Government grants relating to an expense item are recognized in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented as a deduction in reporting the related expense. The presentation approach is applied consistently to all similar grants. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to consolidated statement of profit and loss over the periods and in proportions in which depreciation expense on those assets is recognized.

Income from export incentives are recognized in the consolidated statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of exports made and disclosed as other operating revenues.

Income from government incentives (other than export incentive) are recognized in the consolidated statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established and disclosed as a reduction to the related expenses.

2.8 Employee benefits

a. Defined benefit plans

The Holding Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates or determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the consolidated statement of profit and loss does not include an expected return on plan assets. Instead, net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit and loss in subsequent periods.

b. Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, bonus, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term performance incentive, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Compensated absences

The employees of the Group are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date. Actuarial gains / losses are immediately taken to the consolidated statement of profit and loss. The Group presents the entire obligation for compensated absences as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months from the reporting date.

d. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee Provident Fund, ESIC to regulatory authorities. Such benefits are classified as defined contribution plan. The Group's contribution is recognized as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

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2.9 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognized for:

• temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
• temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
• temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the concerned company in the Group will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

The Group offsets the current tax assets and liabilities (on a year-on-year basis), where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.10 Property, plant and equipment

a. Recognition and measurement:

Items of property, plant and equipment, except land, held for use in the production, supply or administrative purposes, are measured at cost less accumulated depreciation (which includes capitalized borrowing costs, if any) and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing an asset to working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Assets in the course of construction are capitalized as capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repair and maintenance costs are recognized in the consolidated statement of profit and loss when incurred. Assets to be disposed off are reported at the [illegible]e carrying value or the fair value less cost to sell.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit and loss.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under Capital work in progress.

b. Depreciation:

Depreciation is provided on a Straight Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is recognised in the consolidated statement of profit and loss.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

The Group has estimated the useful lives for property, plant and equipment as follows:

Class of assets	Years
Buildings	10 – 60 years
Plant and equipment*	3 - 41 years
Furniture and fixtures	5 - 13 years
Office equipment (Incl books and catalogue)	3 - 25 years
Vehicles	6 - 13 years
Leasehold improvements	shorter of the lease term and their estimated useful lives

Land is not depreciated.

* The Management believes that the useful lives as given best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for some of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act.

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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.11 Goodwill and Other Intangible Assets

a. Goodwill

For measurement of goodwill that arises on a business combination refer note 2.2. Subsequent measurement is at cost less any accumulated impairment losses.

b. Other intangible assets

i. Recognition and measurement

Acquired intangible assets
Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization and any accumulated impairment loss.

Internally generated intangible assets
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

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Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

ii. Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortization

The Group amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles (including internally generated intangible assets) are as follows:

Class of asset	Useful life
Computer software	4 - 10 years
Technical know-how	10 years
Brands and licenses	3 -10 years

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

iv. Derecognition of intangible assets

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit and loss.

2.12 Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and is not reversed in the subsequent period.

Other intangible assets and property, plant and equipment

Other intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets/ CGU are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/ CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

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2.13 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and traded goods, cost comprises of cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.14 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the consolidated statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Also refer note 2.6 regarding exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

2.15 Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (where the effect of time value of money is material, representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognized as finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed by way of note to the consolidated financial statements.

2.16 Financial Instruments

a. Initial recognition and initial measurement

The financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b. Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified and measured at:
- amortized cost;
- fair value through other comprehensive income (FVOCI) - debt investment;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not re-classified subsequent to their initial recognition, except if and in the period there are changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in the consolidated statement of profit and loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective amortized cost interest method reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Any gain or loss on derecognition is recognized in the consolidated statement of profit and loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit and loss.
Equity investments recognized at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to the consolidated statement of profit and loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used

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to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognized only when:

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an asset is transferred, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

ii. Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated statement profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the consolidated statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in consolidated statement of profit and loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.

Derecognition

The Group derecognizes financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.17 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure.

...es are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and ...herein are generally recognized in the consolidated statement of profit and loss.

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The Group designates their derivatives as hedge instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the consolidated statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the consolidated statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the consolidated statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the consolidated statement of profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the consolidated statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

2.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Holding Company for the year by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of statement of cash flows, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.20 Statement of Cash flows

Cash flows are reported using the indirect method, whereby net profit/loss before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

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2.21 Cash dividend

The Group recognizes a liability to make dividend distributions to equity holders of the Group when the distribution is authorized, and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the respective company's Board of Directors.

2.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.23 Non-current assets for sale

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

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. 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 (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

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

Property, plant and equipment and intangible are not depreciated, or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

2.24 New Standards, Interpretations and Amendments adopted by the Group

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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Note 3.1 : Property plant and equipment

(₹ Lacs)

Particulars	Land (refer note 3.1.3)	Buildings	Plant and equipment	Furniture and fixtures	Leasehold improvements	Office equipments	Vehicles	Total	Capital work in progress (refer note 3.2)
Cost:									
Balance as at 1 April 2022	**28,900.34**	**71,472.84**	**2,37,057.03**	**13,220.50**	**3,413.36**	**7,976.12**	**185.34**	**3,62,225.53**	**4,428.46**
Additions	-	2,333.60	443.28	36.35	-	210.37	-	3,023.60	1,952.44
Disposals	(282.21)	-	(2,918.69)	-	-	-	-	(3,200.90)	-
Transfers/Capitalised	-	-	-	-	-	-	-	-	(3,392.84)
Other adjustments	-	-	246.52	827.77	316.95	182.06	(0.04)	1,573.26	-
Balance as at 31 March 2023	**28,618.13**	**73,806.44**	**2,34,828.14**	**14,084.62**	**3,730.31**	**8,368.55**	**185.30**	**3,63,621.49**	**2,988.06**
Balance as at 1 April 2023	**28,618.13**	**73,806.44**	**2,34,828.14**	**14,084.62**	**3,730.31**	**8,368.55**	**185.30**	**3,63,621.49**	**2,988.06**
Additions	-	88.43	2,816.90	0.77	-	62.08	-	2,968.18	3,131.32
Disposals	-	-	(339.86)	-	-	(1.10)	(86.54)	(427.50)	-
Transfers/Capitalised	-	-	-	-	-	-	-	-	(2,898.32)
Other adjustments	-	-	68.27	164.46	57.05	53.74	0.02	343.54	-
Balance as at 31 March 2024	**28,618.13**	**73,894.87**	**2,37,373.45**	**14,249.85**	**3,787.36**	**8,483.27**	**98.78**	**3,66,505.71**	**3,221.06**
Accumulated depreciation:									
Balance as at 1 April 2022	-	**(11,000.24)**	**(80,877.68)**	**(8,524.34)**	**(2,381.68)**	**(6,733.91)**	**(126.77)**	**(1,09,644.62)**	-
Depreciation charge for the year	-	(2,583.29)	(10,702.24)	(1,057.85)	(148.67)	(355.72)	(4.56)	(14,852.33)	-
Disposals	-	-	2,687.84	-	-	-	-	2,687.84	-
Other adjustments	-	-	(85.14)	(560.49)	(245.45)	(143.62)	0.04	(1,034.66)	-
Balance as at 31 March 2023	-	**(13,583.53)**	**(88,977.22)**	**(10,142.68)**	**(2,775.80)**	**(7,233.25)**	**(131.29)**	**(1,22,843.77)**	-
Balance as at 1 April 2023	-	**(13,583.53)**	**(88,977.22)**	**(10,142.68)**	**(2,775.80)**	**(7,233.25)**	**(131.29)**	**(1,22,843.77)**	-
Depreciation charge for the year	-	(2,603.17)	(10,721.35)	(710.31)	(122.78)	(243.09)	(4.52)	(14,405.22)	-
Disposals	-	-	335.94	-	-	0.95	86.54	423.43	-
Other adjustments	-	-	(45.02)	(137.71)	(45.78)	(47.02)	(0.02)	(275.55)	-
Balance as at 31 March 2024	-	**(16,186.70)**	**(99,407.65)**	**(10,990.70)**	**(2,944.36)**	**(7,522.41)**	**(49.29)**	**(1,37,101.11)**	-
Net book value:									
As at 31 March 2024	**28,618.13**	**57,708.17**	**1,37,965.80**	**3,259.15**	**843.00**	**960.86**	**49.49**	**2,29,404.60**	**3,221.06**
As at 31 March 2023	**28,618.13**	**60,222.91**	**1,45,850.92**	**3,941.94**	**954.51**	**1,135.30**	**54.01**	**2,40,777.72**	**2,988.06**

Note 3.1.1 :

Security

Refer note 16.1 and 19.2 for information on property, plant and equipment pledged as security by the Holding Company / Group.

Note 3.1.2 :

Other adjustments include exchange fluctuation arising on account of translation of foreign operations.

Note 3.1.3 :

The Holding Company has entered into lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement amounting to ₹ 6,585.19 lacs. The Holding Company is in the process of applying for the transfer of such land in its name.

Note 3.1.4 :

The above assets other than to the extent mentioned in note 3.1.3 above are owned by the Group.

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Note 3.2 : Capital work-in-progress

a) Capital work-in-progress ageing

(₹ Lacs)

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,039.85	814.58	366.63	-	3,221.06
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2024	**2,039.85**	**814.58**	**366.63**	**-**	**3,221.06**
Projects in progress	1,502.12	1,362.14	123.80	-	2,988.06
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2023	**1,502.12**	**1,362.14**	**123.80**	**-**	**2,988.06**

There are no projects where the completion is overdue or cost has exceeded when compared to its original plan.

Note 3.3 : Other intangible assets

(₹ Lacs)

Particulars	Computer software	Technical know-how	Brands & Licenses	Total
Cost:				
Balance as at 1 April 2022	**8,053.51**	**347.99**	**32,973.03**	**41,374.53**
Additions	349.44	-	-	349.44
Disposals	-	-	-	-
Other adjustments	301.51	-	824.83	1,126.34
Balance as at 31 March 2023	**8,704.46**	**347.99**	**33,797.86**	**42,850.31**
Balance as at 1 April 2023	**8,704.46**	**347.99**	**33,797.86**	**42,850.31**
Additions	87.52	-	-	87.52
Disposals	-	-	-	-
Other adjustments	55.17	-	181.89	237.06
Balance as at 31 March 2024	**8,847.15**	**347.99**	**33,979.75**	**43,174.89**
Accumulated amortisation:				
Balance as at 1 April 2022	**(3,841.87)**	**(162.10)**	**(30,885.84)**	**(34,889.81)**
Amortisation	(372.12)	(32.42)	(1,278.83)	(1,683.37)
Disposals	-	-	-	-
Other adjustments	(119.74)	-	(350.06)	(469.80)
Balance as at 31 March 2023	**(4,333.73)**	**(194.52)**	**(32,514.73)**	**(37,042.98)**
Balance as at 1 April 2023	**(4,333.73)**	**(194.52)**	**(32,514.73)**	**(37,042.98)**
Amortisation	(372.11)	(32.42)	(1,286.38)	(1,690.91)
Disposals	-	-	-	-
Other adjustments	(22.68)	-	(150.71)	(173.39)
Balance as at 31 March 2024	**(4,728.52)**	**(226.94)**	**(33,951.82)**	**(38,907.28)**
Net book value as at 31 March 2024	**4,118.63**	**121.05**	**27.93**	**4,267.61**
Net book value as at 31 March 2023	**4,370.73**	**153.47**	**1,283.13**	**5,807.33**

Note 3.3.1 :
Other adjustments include exchange fluctuation arising on account of translation of foreign operations.

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Note 4 : Goodwill

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cost		
Balance at beginning of year	52,386.74	48,415.25
Effect of foreign currency exchange differences	699.36	3,971.49
Balance at end of year	**53,086.10**	**52,386.74**

i) Impairment tests for goodwill

Goodwill acquired through business combination pertains to the Textile Segment which is the only reportable segment.

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Textile Segment	53,086.10	52,386.74

(ii) Significant estimate: Key assumptions used for value-in-use calculations

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations on a discounted cash flow method which require the use of assumptions. Management prepare forecast for a period of five years and applies perpetuity growth rate of 2.5% from 5th year onwards. The calculations use cash flow projections calculated using the estimated growth and pre-tax discount rates stated below.
The following table sets out the key assumptions for the CGU that have significant goodwill allocated to them:

Assumptions	As at 31 March 2024	As at 31 March 2023
Sales Growth (% annual growth rate)	4% - 15%	4% - 11%
EBITDA Growth (%)	5% - 10%	4% - 11%
Pre-tax discount rate (%)	10.53%	11.31%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used for determining values
Sales Growth	Average annual growth rate over the forecasted period; based on past performance and management's expectations for the future.
EBITDA (%)	Based on past performance and management's expectations for the future.
Pre-tax discount rate (%)	Reflect specific risks relating to the relevant segment and the country in which it operates.

Note 5 : Investments

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Note 5A : Non-current investments		
Unquoted - Investments carried at fair value through profit and loss		
Investments in equity instruments	24.01	23.67
Total	**24.01**	**23.67**

Note 5A.1: Details of investments

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in equity instruments		
Industria e Universita S.r.l. (No. of shares : 13,005,000) (As at 31 March 2023: 13,005,000)	24.01	23.67
Total	**24.01**	**23.67**
Aggregate value of unquoted investments	24.01	23.67

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Note 5B: Current investments

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Investments in equity instruments (Unquoted - at fair value)		
Atria Wind Power (Chitradurga) Private Limited Equity shares of INR 251 each fully paid up [No. of shares: 68,123 (As at 31 March 2023 : 2,41,637)]	170.99	606.51
Atria Wind Power (Basavana Bagewadi) Private Limited Equity shares of INR 193.28 each fully paid up [No. of shares: 478 (As at 31 March 2023 : 1,85,226)]	0.92	358.01
Total	**171.91**	**964.52**
Aggregate value of unquoted investments	**171.91**	**964.52**

Note 6 : Loans

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Loans to employees	-	56.07
Total	**-**	**56.07**
Current		
Unsecured, considered good		
Loans to employees	78.43	84.93
Total	**78.43**	**84.93**

Note 7 : Other financial assets

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Fixed deposits with banks with maturity period more than twelve months	5.06	510.06
Electricity deposits	2,132.72	1,052.05
Other deposits	182.95	644.54
Total	**2,320.73**	**2,206.65**
Current		
Unsecured, considered good		
Interest subsidy receivable [net of credit impaired ₹ 394.42 lacs (31 March 2023: Nil)]	2,679.62	2,807.92
Subsidy receivable under various government schemes	19,268.18	15,487.03
Interest receivable	138.93	89.09
Security deposits	252.72	192.42
Other receivables	10,668.58	2,175.18
Derivative assets - foreign exchange forward contracts	311.36	114.09
Total	**33,319.39**	**20,865.73**

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Note 8 : Tax assets and liabilities

Note 8(A) : Income tax assets and liabilities

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current income tax assets		
Advance tax and taxes deducted at source	22,689.02	22,689.02
Less: Provisions related to the above	(21,175.00)	(21,175.00)
Income tax assets (net)	**1,514.02**	**1,514.02**
Current tax liabilities		
Income tax provisions	15,987.12	12,547.23
Less: Advance tax and taxes deducted at source related to above	(12,622.88)	(12,531.64)
Current tax liabilities (net)	**3,364.24**	**15.59**

Note 8(B) : Deferred tax liabilities (net)*

The following is the analysis of the net deferred tax asset/(liability) position as presented in the financial statements

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Property, plant and equipment and other intangible assets	32,346.94	31,760.90
Cash flow hedge	68.74	-
Total deferred tax liabilities (A)	**32,415.68**	**31,760.90**
Deferred tax assets		
Provision for gratuity and compensated absences	1,416.86	993.78
Cash flow hedge	-	212.10
Leases	161.79	161.79
Minimum alternate tax (MAT) credit entitlement	15,897.13	17,860.51
Others - business losses, unabsorbed depreciation and other disallowances	6,572.76	6,041.75
Total deferred tax assets (B)	**24,048.54**	**25,269.93**
Net deferred tax liability (A - B)	**8,367.14**	**6,490.97**

*Refer note 33

Deferred tax presentation in balance sheet comprises of:		
Deferred tax liabilities, (net) (C)	10,087.26	8,163.20
Deferred tax assets, (net) (D)	1,720.12	1,672.23
Net deferred tax liability (C - D)	**8,367.14**	**6,490.97**

Note 9 : Other assets

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Capital advances	655.67	1,084.91
Contract acquisition costs	2,885.55	4,225.15
Others	56.48	54.19
Total	**3,597.70**	**5,364.25**
Current		
Advances to suppliers	1,845.14	17,687.66
Balances with government authorities (other than income taxes)	10,405.14	6,243.27
Subsidy receivable under various government schemes	8,028.21	5,960.75
Prepaid expenses	3,753.90	2,632.13
Contract acquisition costs	1,615.87	1,945.16
Others	82.51	81.78
Total	**25,730.77**	**34,550.75**

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Note 10: Inventories

(valued at lower of cost and net realizable value)* (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials and packing materials	5,933.63	5,137.03
Work-in-progress	27,802.95	9,419.40
Finished goods	62,259.61	72,147.63
Stores and spares	1,968.04	1,780.64
Total	**97,964.23**	**88,484.70**

* Refer note 19.2

Included above, goods-in-transit:		
Raw materials	660.09	-
Work-in-progress	16,760.24	-
Finished goods	36,219.94	-
Total	**53,640.27**	-

Note 11 : Trade receivables

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured, considered good	91,617.19	67,705.18
Less: Allowance for expected credit loss	(1,451.48)	(702.81)
Net Trade receivables	**90,165.71**	**67,002.37**

Note 11.1: Bill discounting:

At the end of the reporting period, the carrying amount of the trade receivables that have been discounted (with recourse) but have not been derecognized amounted to ₹18,016.77 lacs (31 March 2023: ₹27,223.01 lacs) and associated liability has been disclosed as bill discounting (refer note 19).

Note 11.2: Expected credit loss assessment for trade receivables as at 31 March 2024 and 31 March 2023 are as follows:

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The movement in allowance for credit loss in respect of trade and other receivables are as follows -

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	702.81	2,334.33
Change in allowance for expected credit loss (net)	766.61	(1,809.94)
Foreign exchange differences	(17.94)	178.42
Balance at end of the year	**1,451.48**	**702.81**

The Group's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in note 35.

Note 11.3: Trade receivables ageing schedule

As at 31 March 2024 (₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 -2 years	2 -3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	54,371.33	33,358.40	1,103.87	416.98	41.66	55.47	89,347.71
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	43.03	142.17	69.26	132.17	136.11	522.74
Disputed Trade Receivables - considered good	-	-	-	277.60	316.21	224.19	818.00
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	401.84	526.90	-	928.74
Total	**54,371.33**	**33,401.43**	**1,246.04**	**1,165.68**	**1,016.94**	**415.77**	**91,617.19**
Less: Allowance for expected credit loss							(1,451.48)
Net Trade receivables							**90,165.71**

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As at 31 March 2023 (₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 -2 years	2 -3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	56,227.16	8,416.61	292.98	646.07	238.58	137.03	65,958.43
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	57.96	621.48	843.12	-	224.19	1,746.75
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**56,227.16**	**8,474.57**	**914.46**	**1,489.19**	**238.58**	**361.22**	**67,705.18**
Less: Allowance for expected credit loss							**(702.81)**
Net Trade receivables							**67,002.37**

Note 12A : Cash and cash equivalents

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents consist of		
Cash on hand	10.41	6.63
Balance with banks		
- in current accounts	3,533.86	5,868.41
Total	**3,544.27**	**5,875.04**

Note 12B : Bank balances other than cash and cash equivalents

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Other bank balances (refer note 12.1)	56.75	75.57
Deposits with banks with maturity of more than three months but less than twelve months	12,791.64	4,853.61
Total	**12,848.39**	**4,929.18**

Note 12.1 : Other bank balances represent earmarked balances in respect of unpaid dividends.

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Note 13: Assets held for sale

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Buildings (refer note 13.1)	8,555.60	8,434.11
Total	**8,555.60**	**8,434.11**

Note 13.1: Represents buildings at a subsidiary which is closed as a part of restructuring. No impairment loss was recognised on reclassification of the building as held for sale as at 31 March 2024 as the Group expect that the fair value less costs to sell is higher than the carrying amount.

Note 14 : Equity share capital

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
15,00,00,000 equity shares (31 March 2023: 13,40,00,000 equity shares) of par value of ₹ 5 each	7,500.00	6,700.00
Issued		
9,84,96,160 equity shares (31 March 2023: 9,84,96,160 equity shares) of par value of ₹ 5 each	4,924.81	4,924.81
Subscribed and fully paid-up		
9,84,57,160 equity shares (31 March 2023: 9,84,57,160 equity shares) of par value of ₹ 5 each	4,922.86	4,922.86

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount (₹ lacs)	Number of shares	Amount (₹ lacs)
At the commencement of the year	9,84,57,160	4,922.86	9,84,57,160	4,922.86
At the end of the year	9,84,57,160	4,922.86	9,84,57,160	4,922.86

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

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

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Dinesh Kumar Himatsingka	1,19,02,000	12.09%	1,19,02,000	12.09%
Shrikant Himatsingka	85,46,964	8.68%	85,46,964	8.68%
Bihar Mercantile Union Private Limited	62,68,234	6.37%	62,68,234	6.37%
Rajshree Himatsingka	58,97,260	5.99%	58,97,260	5.99%

Details of shareholding of promoters in the equity share capital of the Company

Promoters name	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dinesh Kumar Himatsingka	1,19,02,000	12.09%	0.00%	1,19,02,000	12.09%	0.00%
Shrikant Himatsingka	85,46,964	8.68%	0.00%	85,46,964	8.68%	0.00%
Bihar Mercantile Union Private Limited	62,68,234	6.37%	0.00%	62,68,234	6.37%	0.00%
Rajshree Himatsingka	58,97,260	5.99%	0.00%	58,97,260	5.99%	0.00%
Awdhan Trading Company Limited	41,28,736	4.19%	0.00%	41,28,736	4.19%	0.00%
Orient Silk Private Limited	34,34,768	3.49%	0.00%	34,34,768	3.49%	0.00%
Aditya Resources Limited	32,97,470	3.35%	0.00%	32,97,470	3.35%	0.00%
Priya Resources Private Limited	31,21,360	3.17%	0.00%	31,21,360	3.17%	0.00%
Priyadarshini Himatsingka	2,37,800	0.24%	0.00%	2,37,800	0.24%	0.00%

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Note 15 : Other Equity

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve (refer note 15.1)	687.62	687.62
Securities premium (refer note 15.2)	27,675.71	27,675.71
General reserve (refer note 15.3)	17,270.17	17,270.17
Legal reserve (refer note 15.4)	9.90	9.90
Retained earnings (refer note 15.5)	92,935.79	81,905.99
Reserves and Surplus	**1,38,579.19**	**1,27,549.39**
Effective portion of cash flow hedge (refer note 15.6)	128.38	(394.46)
Foreign currency translation reserve	12,264.55	12,823.67
Other comprehensive income	**12,392.93**	**12,429.21**
Total	**1,50,972.12**	**1,39,978.60**

Notes:

15.1 Any profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments is transferred to capital reserves. The reserve is not available for distribution.

15.2 Amounts received on issue of shares in excess of the par value have been classified as securities premium. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

15.3 This represents appropriation of profit by the Group. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

15.4 Legal reserve represents the reserve as mandated by the Italian Civil Code. The same will be utilized for the purposes as permitted by the Italian Civil Code.

15.5 Retained earnings comprises of the Group's undistributed earnings after taxes. The amount can be distributed by the Company as dividends to its equity shareholders.

15.6 The Effective portion of cash flow hedge represents effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to the consolidated statement of profit and loss when the hedged items (sales of goods) affects profit or loss .

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Legal reserve		
Opening balance	9.90	9.01
Add/(Less): Foreign exchange difference	-	0.89
Total	**9.90**	**9.90**
Retained earnings		
Opening balance	81,905.99	88,554.39
Add: Profit / (loss) for the year	11,282.22	(6,407.97)
Add: Items of OCI recognised directly in retained earnings		
Re-measurements of defined employee benefit plan	(252.42)	251.86
Less: Payment of dividends*	-	(492.29)
Total	**92,935.79**	**81,905.99**

* The Company has proposed dividend of ₹ 0.25 per share for the financial year 2023-24 after the reporting date which is subject to approval at the annual general meeting. Such dividend has not been recognised as liabilities at year end. (31 March 2023: Final dividend of ₹ 0.50 per share for the financial year 2021-22)

Particulars	As at 31 March 2024	As at 31 March 2023
Effective portion of cash flow hedge		
Opening balance	(394.46)	619.67
Effective portion of gain / (loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges recognised in cash flow hedge reserve	312.41	(8,369.64)
Cumulative (gain) / loss reclassified to profit or loss	491.27	6,810.79
Income tax related to net gain / (loss) recognised in other comprehensive income	(280.84)	544.72
Total	**128.38**	**(394.46)**
Foreign currency translation reserve		
Opening balance	12,823.67	7,231.92
Other Comprehensive Income for the year, net of tax	(559.12)	5,591.75
Total	**12,264.55**	**12,823.67**

Note 16: Non current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured loans: (refer note 16.1)		
Term loans		
From banks	43,383.40	49,753.91
From financial institutions	59,943.69	64,308.38
Non Convertible Debentures		
4,600, redeemable, non convertible debentures (NCD), of face value ₹ 10,00,000 each. (31 March 2023 : 3,420)	45,389.96	33,636.05
Unsecured loans: (refer note 16.1)		
Foreign currency convertible bonds (FCCB) (refer note below)	10,299.39	-
Total	**1,59,016.44**	**1,47,698.34**

Note:

During the year, the Company issued 12,500 foreign currency convertible bonds of USD 1,000 each. Interest is payable on semi annual basis. 50% of the principal amount of the loan is repayable at the end of 5 years from the issue date of first tranche (26 April 2023) and balance 50% at the end of 5 years 6 months or can be converted at any time into equity shares at the holder's option.

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Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
i) Term loans from bank (secured)						
Loan 1	8,330.23	1,230.54	9,542.75	307.66	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 structured quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2024 was 23 installments.
Loan 2	-	-	-	6,764.85	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%). The loan was fully repaid during the year ended 31 March 2024.
Loan 3	2,968.64	2,000.00	4,940.43	500.00	Subservient charge on all present and future moveable fixed assets.	28 quarterly structured installments payable at the end of each quarter starting from 3 months from date of 1st disbursement. The outstanding term as of 31 March 2024 was 10 installments.
Loan 4	2.74	33.85	36.30	35.01	Secured by the asset owned by Himatsingka America Inc.	a) USD 0.55 lacs is repayable in 48 monthly installments. The loan is fully repaid during the year ended 31 March 2024. b) USD 1.46 lacs is repayable in 48 monthly installments commencing from April 2021. The outstanding term as of 31 March 2024 was 13 installment
Loan 5	3,836.71	500.00	4,317.54	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 28 quarterly installments commencing from post completion of moratorium period of 12 months. The outstanding term as of 31 March 2024 was 23 installments.
Loan 6	2,920.44	800.00	1,392.50	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 24 quarterly installments commencing from post completion of initial moratorium period of 12 months. The outstanding term as of 31 March 2024 was 19 installments.
Loan 7	6,866.12	1,338.00	8,159.40	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan amount of ₹ 6,000 lacs shall be repaid in 27 quarterly installments commencing from July 2022. The outstanding term as of 31 March 2024 was 20 installments. Loan amount of ₹ 4,000 lacs shall be repaid in 21 quarterly installments commencing from August 2023. The outstanding term as of 31 March 2024 was 17 installments.
Loan 8	10,174.09	1,616.00	11,782.81	404.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 30 quarterly installments commencing from September 2022. The outstanding term as of 31 March 2024 was 23 installments.
Loan 9	8,284.43	1,304.03	9,582.18	326.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 30 quarterly installments commencing from September 2022. The outstanding term as of 31 March 2024 was 23 installments.
Total	**43,383.40**	**8,822.42**	**49,753.91**	**8,337.52**		

The rate of interest on the above term loans is in the range of 7.56% to 12.80% (31 March 2023 : 7.56% to 12.24%)

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Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
ii) Term loan from financial institution (secured)						
Loan 1	-	63.50	62.85	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of 31 March 2024 was 1 installment.
Loan 2	-	250.83	339.99	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of 31 March 2024 was 3 installments.
Loan 3	7,705.20	1,878.37	10,041.19	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of 31 March 2024 was 14 installments.
Loan 4	17,616.21	2,614.25	21,082.95	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 structured quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date which ever is earlier. The outstanding term as of 31 March 2024 was 19 installments.
Loan 5	1,580.21	3,168.24	4,667.22	3,123.22	First paripassu charge on the moveable and immoveable properties located at Hassan and Doddaballapur plant including proposed project assets present and future. Further corporate guarantee is provided by Himatsingka Seide Limited for this loan.	Loan shall be repaid in 20 structured quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The outstanding term as of 31 March 2024 was 6 installments.
Loan 6	-	-	244.93	244.93	First ranking pledge on the investment made by the Company in Atria Wind Power Limited.	The loan was fully repaid during the year ended 31 March 2024.
Loan 7	-	57.92	57.92	69.54	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from November 2020 The outstanding term as of 31 March 2024 was 7 installments.
Loan 8	-	77.76	77.76	69.98	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from February 2021 The outstanding term as of 31 March 2024 was 10 installments.
Loan 9	-	49.38	50.10	77.51	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from September 2020 The outstanding term as of 31 March 2024 was 5 installments.
Loan 10	49.18	39.43	81.42	39.43	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from April 2021. The outstanding term as of 31 March 2024 was 9 installments.
Loan 11	45.98	40.38	86.36	35.37	Secured by the asset which is taken under this facility	Loan shall be repaid in 20 structured quarterly installments commencing from April 2021. The outstanding term as of 31 March 2024 was 8 installments.
Loan 12	12.09	7.69	19.78	6.73	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from August 2021. The outstanding term as of 31 March 2024 was 10 installments.
Loan 13	74.55	53.30	127.86	46.68	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from June 2021. The outstanding term as of 31 March 2024 was 9 installments.
Loan 14	82.73	55.14	137.87	48.28	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from July 2021. The outstanding term as of 31 March 2024 was 10 installments.
Loan 15	28.62	13.76	42.38	12.33	Secured by the asset which is taken under this facility	Loan shall be repaid in 60 structured Monthly installments commencing from November 2021. The outstanding term as of 31 March 2024 was 31 installments.

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Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 16	6,825.10	1,875.00	8,638.99	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2024 was 18 installments.
Loan 17	4,096.69	1,125.00	5,185.71	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by Company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2024 was 18 installments.
Loan 18	1,541.19	888.89	2,420.78	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 11 installments.
Loan 19	2,798.17	800.00	3,589.84	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan Shall be repaid in 24 quarterly installments commencing from post completion of principle moratorium period of 12 months. The outstanding term as of 31 March 2024 was 18 installments.
Loan 20	4,443.12	-	4,454.85	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 8 installments.
Loan 21	2,290.72	597.29	2,897.63	615.40	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 26 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 19 installments.
Loan 22	8,885.57	750.00	-	-	A) First charge on Holding Company's property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary HWPL B) Corporate Guarantee from HWPL only to the extent of properties charged with Exim	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 17 installments.
Loan 23	1,868.36	500.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 20 structured quarterly installments commencing after 3 months from the date of disbursement. The outstanding term as of 31 March 2024 was 19 installments.
Total	**59,943.69**	**14,906.13**	**64,308.38**	**4,389.40**		

The rate of interest on the above term loans is in the range of 9.24% to 13.56% (31 March 2023 : 6.99% to 13.56%).

iii) Non convertible debentures from financial institution (secured) (₹ Lacs)

NCD 01	45,389.96	-	33,636.05	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	NCD shall be repaid in 16 equal semi - annual installments commencing after 3 years from the date of disbursement. The outstanding term as of 31 March 2024 was 16 installments.
Total	**45,389.96**	-	**33,636.05**	-		

The rate of interest on the above loan is in the range of 11.54% (31 March 2023 : 11.45%).

iv) Foreign currency convertible bonds from financial institution (unsecured) (₹ Lacs)

FCCB 01	10,299.39	-	-	-	The foreign currency convertible bonds are not backed by any security.	FCCB shall be repaid in 2 equal installments. 50% of the principal amount of the loan is repayable at the end of 5 years from the issue date of first tranche (26 April 2023) and balance 50% at the end of 5 years 6 months or can be converted at any time into equity shares at the holder's option. The outstanding term as of 31 March 2024 was 2 installments.
Total	**10,299.39**	-	-	-		

The rate of interest on the above foreign currency convertible bonds is 4.5% (31 March 2023 : Nil).

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Note 17 : Provisions

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for gratuity (refer note 17.1)	2,127.57	1,778.86
Total	**2,127.57**	**1,778.86**
Current		
Provision for compensated absences	853.00	652.17
Provision for gratuity (refer note 17.1)	692.93	419.61
Total	**1,545.93**	**1,071.78**

Note 17.1 : Employee benefits

The Group operates the following post-employment defined benefit plan.

Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. There is no maximum limit for the payment of gratuity benefit. The present value of obligation is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(A) Funding

The Group's gratuity scheme for employees is administered through insurance fund. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Group expects to contribute ₹ 692.93 lacs (31 March 2023 : ₹ 419.61 lacs) to its defined benefit plans in financial year 2023-24.

The expected maturity analysis of undiscounted gratuity is as follows:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
1 year	882.52	597.33
2 to 5 years	1,165.09	993.68
6 to 10 years	1,325.20	1,113.96
More than 10 years	1,211.76	1,014.98

(B) Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Obligation at the beginning of the year	2,376.20	2,648.34
Interest cost	170.26	142.91
Current service cost	257.48	230.37
Benefits paid	(181.13)	(255.20)
Actuarial (gains)/losses on obligations recognised in other comprehensive income		
- Changes in demographic assumptions	(41.66)	-
- Changes in financial assumptions	7.20	(240.39)
- Experience adjustments	421.74	(149.83)
Obligation at the end of the year	**3,010.09**	**2,376.20**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	177.73	168.09
Interest income on plan assets	12.73	9.07
Contributions	180.99	258.85
Benefits paid	(181.13)	(255.20)
Return on plan assets, excluding interest income recognised in other comprehensive income	(0.73)	(3.08)
Plan assets at the end of the year, at fair value	**189.59**	**177.73**
Net defined benefit liability	**2,820.50**	**2,198.47**

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(C) (i) Expense recognised in the Statement of profit or loss

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	257.48	230.37
Interest cost	170.26	142.91
Expected return on plan assets	(12.73)	(9.07)
Net gratuity cost	**415.01**	**364.21**

(ii) Remeasurement recognised in other comprehensive income

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Actuarial loss on defined benefit obligation	387.28	(390.22)
Return on plan assets, excluding amount recognised in net interest expense	0.73	3.08
Total (gain) / loss recognised in other comprehensive income	**388.01**	**(387.14)**

(D) Plan assets

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance fund	189.59	177.73
Total	**189.59**	**177.73**

(E) Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	7.10%	7.15%
Future salary growth	5.00%	5.00%
Mortality [IALM 2012-14]	100.00%	100.00%
Attrition rate	2% - 50%	2% - 40%
Weighted average duration of defined benefit obligation (in years)	5	5
Retirement age (in years)	58	58

Notes:

(i) The discount rate is based on the prevailing market yield on government bonds as at the balance sheet date for the estimated term of obligations.

(ii) 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.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Projected benefit obligation on current assumptions	3,010.09	2,376.20
Impact of change in discount rate by +1%	(144.71)	(120.49)
Impact of change in discount rate by -1%	159.72	133.17
Impact of change in salary growth rate by +1%	161.47	134.69
Impact of change in salary growth rate by -1%	(148.81)	(123.96)
Impact of change in attrition rate by +50%	(28.16)	(33.26)
Impact of change in attrition rate by -50%	41.78	40.77
Impact of change in mortality rate by +10%	0.64	0.55
Impact of change in mortality rate by -10%	(0.64)	(0.55)

Defined contribution plans:

The Group's contribution to various defined contribution plans recognised in the statement of profit and loss under the head employee benefit expense are as follows:

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Provident fund	1,564.81	1,452.90
Employee state insurance	308.61	274.49
Total	**1,873.42**	**1,727.39**

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Note 18: Other Liabilities

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non Current		
Deferred income arising from government grants (refer note 18.1)	22,981.92	24,788.67
Total	**22,981.92**	**24,788.67**
Current		
Deferred income arising from government grants (refer note 18.1)	1,923.92	1,915.07
Advances received from customers	247.11	224.78
Statutory liabilities	860.64	879.99
Security deposit received	110.99	86.93
Total	**3,142.66**	**3,106.77**

Note 18.1 : Deferred income arising from government grants
The Group has received government grants in the form of import duty exemption and subsidy on purchase of capital goods and purchase of raw materials, to be used for production of goods for exports, based on the terms of the respective schemes. The Group recognises such grants in statement of profit or loss on a systematic basis over the period in which the related expenses (the related costs for which the grants are intended to compensate) are incurred and charged to the income statement. The Group has presented such amortisation of deferred income as a deduction from the related expenses.

Note 19: Current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured borrowings		
Loans repayable on demand		
From banks (refer note 19.1 and note 19.2)	79,051.00	81,846.96
Bill discounting (refer note 11.1)	18,016.77	27,223.01
Current maturities of non-current borrowing (refer note 16.1)	23,728.55	12,726.92
Total	**1,20,796.32**	**1,21,796.89**

Note 19.1 : The weighted average effective interest rate (net of subsidy) on the bank loans is 8.64% per annum (5.24% as at 31 March 2023).
Note 19.2 : Working capital limits secured by pari passu charge by way of hypothecation of stock and book debts of the Group and in case of working capital loan from one bank, there is an additional security by way of first charge over fixed assets of the Group.
Note-19.3: The Holding Company have filed the quarterly returns or statement with the banks/financial institutions according to the sanctioned working capital facilities, which are in agreement with books of accounts.

Information about the Group's exposure to interest rate, currency and liquidity risk are disclosed in note 35.

Note 20 : Trade payables

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 20.1)	14,632.98	8,122.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	69,517.48	73,329.39
Total	**84,150.46**	**81,451.66**

The Group's exposure to currency and liquidity risk are disclosed in note 35.

Note 20.1 : Dues of small enterprises and micro enterprises
The disclosure pursuant to the Micro, small and medium enterprises development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31 March 2024 and 31 March 2023 is as under:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal*	14,648.12	8,122.27
- Interest	721.56	376.74
The amount of interest paid by the buyer in terms of Section 16 of MSMED Act along with the amount of the payment made to the supplier beyond the appointed day during the year	-	23,519.78
The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	-	319.71
The amount of interest accrued and remaining unpaid at the end of year	-	696.46
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 MSMED Act 2006	-	696.46

* Includes principal amount of ₹ 15.14 lacs (31 March 2023: ₹ Nil) remaining unpaid to capital creditors.

The above disclosure has been made in the consolidated financial statements based on the information received and available with the Group.

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Note 20.2: Trade Payables ageing schedule

As at 31 March 2024 **(₹ Lacs)**

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) MSME*	-	8,869.70	4,290.42	825.19	647.67	-	14,632.98
(ii) Others	5,156.73	38,195.51	17,337.80	4,615.70	3,701.78	509.96	69,517.48
(iii) Disputed dues – MSME*	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**5,156.73**	**47,065.21**	**21,628.22**	**5,440.89**	**4,349.45**	**509.96**	**84,150.46**

As at 31 March 2023 **(₹ Lacs)**

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
(i) MSME*	-	4,767.98	2,356.88	997.41	-	-	8,122.27
(ii) Others	3,758.27	43,846.90	16,625.25	7,859.71	326.58	912.68	73,329.39
(iii) Disputed dues – MSME*	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,758.27**	**48,614.88**	**18,982.13**	**8,857.12**	**326.58**	**912.68**	**81,451.66**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Note 21 : Other financial liabilities

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Capital creditors (refer note 21.1)	809.71	1,634.96
Employee related liabilities	2,867.62	2,743.30
Interest accrued but not due on borrowings	2,522.94	2,362.43
Derivative liabilities - foreign exchange forward contracts	114.40	721.05
Unclaimed dividend (refer note 21.2)	56.75	75.57
Total	**6,371.42**	**7,537.31**

The Group's exposure to currency and liquidity risk are disclosed in note 35.

Note 21.1: Includes principal amount of ₹ 15.14 lacs (31 March 2023: Nil) related to micro enterprises and small enterprises.

Note 21.2: As at 31 March 2024 (31 March 2023: ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Holding Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

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Note 22 : Revenue from operations

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers - sale of goods (refer note 22.2 below)	2,57,704.76	2,46,828.63
Other operating revenue (refer note 22.1 below)	26,440.34	20,945.63
Total	**2,84,145.10**	**2,67,774.26**

Note 22.1 : Other operating revenue comprises: (₹ Lacs)

Revenue from contracts with customers - sale of waste and scrap	4,402.77	3,351.81
Export incentive	21,718.17	17,519.92
Royalty income	319.40	73.90
Total	**26,440.34**	**20,945.63**

Note 22.2 : Disaggregated revenue information:

The Group derives its revenue primarily from sale of textile products. Revenues from different geographic regions based on the location of the customers have been disclosed in note 32(a).

Note 22.3 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price	2,67,990.28	2,55,087.89
Less: Rebates, discounts, chargebacks, markdowns, etc.	(5,882.75)	(4,907.45)
Revenue from contracts with customers - sale of goods and sale of waste and scrap	**2,62,107.53**	**2,50,180.44**

Note 23 : Other income

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a. Interest income		
Interest from bank deposits	436.55	317.82
Interest on electricity deposits	55.56	47.89
Interest income earned on financial assets that are not designated as at fair value through profit or loss	6.86	7.31
	498.97	**373.02**
b. Other than interest income		
Foreign exchange gain	1,010.66	5,085.53
Profit on sale of current investments	-	8.73
Profit on sale of property, plant and equipment (net)	-	1,895.80
Miscellaneous income	603.67	138.77
	1,614.33	**7,128.83**
Total	**2,113.30**	**7,501.85**

Note 24 : Cost of materials consumed, purchases of stock in trade and changes in inventories

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cost of raw materials and packing materials consumed		
Inventories of raw materials and packing materials at the beginning of the year	5,137.03	9,614.19
Add: Purchase	1,31,317.71	1,23,813.92
Less: Inventories of raw materials and packing materials at the end of the year	5,933.63	5,137.03
Cost of raw materials and packing materials consumed	**1,30,521.11**	**1,28,291.08**
B. Purchase of stock-in-trade	-	**6,533.54**
C. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock :		
- Work in progress	9,419.40	21,388.28
- Finished goods	72,147.63	75,146.29
- Traded goods	-	4,418.61
	81,567.03	**1,00,953.18**
Closing stock :		
- Work in progress	27,802.95	9,419.40
- Finished goods	62,259.61	72,147.63
	90,062.56	**81,567.03**
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(8,495.53)**	**19,386.15**

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Note 25 : Employee benefits expense

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	25,663.64	23,592.13
Contribution to provident and other funds (refer note 17.1)	1,873.42	1,727.39
Gratuity expenses (refer note 17.1)	415.01	364.21
Expenses related to compensated absence	530.42	101.50
Workmen and staff welfare expenses	2,276.66	2,374.91
Total	**30,759.15**	**28,160.14**

Note 26 : Finance Costs

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on :		
Financial liability at amortised Cost		
Interest on term loan [net of subsidy ₹ 4,671.70 lacs (31 March 2023: ₹ 3,264.02 lacs)]	12,448.22	11,722.14
Interest on working capital loans	12,130.17	7,678.41
Interest on payment of income tax	213.71	-
Other borrowing costs	4,733.38	6,220.74
Exchange differences regarded as an adjustment to borrowing costs	121.12	101.87
Total	**29,646.60**	**25,723.16**

Note 27 : Depreciation and amortisation expense

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3.1)	14,405.22	14,852.33
Amortisation of intangible assets (refer note 3.3)	1,690.91	1,683.37
Depreciation on Right-of-use asset (refer note 31)	1,649.98	1,793.88
Less: Amortisation of deferred income on government grants (refer note 18.1)	(1,935.75)	(1,926.26)
Total	**15,810.36**	**16,403.32**

Note 28 : Other expenses

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spare parts	1,536.09	1,107.85
Power and fuel	25,617.57	23,103.97
Royalty	6,790.28	10,187.00
Contract labour charges	3,664.11	3,384.43
Freight outward	8,492.65	4,316.02
Advertisement, selling and publicity expenses	9,060.30	2,887.33
Rent (refer note 31)	2,301.36	1,359.11
Travelling and conveyance expenses	1,821.02	2,044.11
Professional and consultancy charges	1,714.18	1,585.73
Payments to auditors (refer note 28.1 below)	84.54	97.92
Sales promotion expenses	1,738.19	749.42
Repairs and maintenance		
i. plant and machinery	542.93	345.67
ii. buildings	221.13	222.92
iii. others	420.63	439.72
Insurance	1,192.84	1,301.99
Job work charges	1,208.42	761.99
Product design and development charges	355.20	278.06
Water charges	694.67	578.15
Security charges	449.68	395.37
Communication expenses	449.06	833.87
Rates and taxes	222.69	250.80
Printing and stationery	58.93	67.83
Expenditure on corporate social responsibility (CSR) (refer note 28.2 below)	175.00	365.05
Commission on sales	263.72	90.16
Loss on sale of property, plant and equipment (net)	574.42	-
Loss allowance on financial assets (including bad debts written off)	904.51	256.61
Miscellaneous expenses	1,186.35	1,290.31
Total	**71,740.47**	**58,301.39**

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Note 28.1 : Payments to auditors

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
- Audit fee*	68.00	83.00
- Tax audit fee	-	1.50
In other capacity:		
- Other services (certification fees)	6.00	1.00
- Reimbursement of expenses	9.54	11.42
	83.54	**96.92**
Remuneration to other auditors for the subsidiaries		
For audit	1.00	1.00
Total	**84.54**	**97.92**

* includes fee for limited reviews

Note 28.2 : Corporate Social Responsibility

The Company has spent towards various schemes of corporate social responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. The details are:

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Amount approved by the Board and required to be spent by the Holding Company during the year	167.41	360.00
ii) Amount of expenditure incurred on:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (i) above	175.00	123.72
(iii) Shortfall/(excess) at the end of the year	(7.59)	241.33
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	Pertains to ongoing projects
(vi) Nature of CSR activities	Skill development and providing employment to Apprentices under Apprentices Act as per the National Apprenticeship Promotion Scheme (NAPS).	Promoting health care including preventive health care, special education, rural development project and promoting education
(vii) Details of related party transactions		
a) Contribution to Himatsingka Foundation in relation to CSR expenditure	-	241.33

*The Company had transferred the unspent amount in respect of ongoing projects to a special account in accordance of with the provisions of the Companies Act 2013.

Note 29 : Commitments
i) Capital Commitments

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,170.32	2,555.66

ii) Other commitments:

The Group has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme and Advance Authorisation to utilise the benefit of zero or concessional custom duty rate. The benefits are subject to future exports within the stipulated period. Such export obligation at year end aggregate to ₹ 6,571.32 lacs (31 March 2023 : ₹ 5,482.82 lacs).

Note 30 : Contingent Liabilities

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Claims against Group not acknowledged as debt		
- Income tax matters (refer note 30.1 and 30.2.a)	418.45	211.40
- Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 30.1 and 30.2.b)	1,521.25	1,310.36
	1,939.70	1,521.76
(b) Guarantees outstanding		
- Financial institutions	18,342.26	18,081.80
- Others	-	5,424.54
	18,342.26	23,506.34
Total	**20,281.96**	**25,028.10**

Note 30.1 : The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows including interest and other consequential payments, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. The Group doesn't expect any reimbursements in respect of the above contingent liabilities.

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Note 30.2 :

(a) Contingent liabilities under Income Tax Act 1961 of ₹ 418.45 lacs (31 March 2023 : ₹ 211.40 lacs) includes:

(i) Disputed demands of ₹ 30.50 lacs (31 March 2023 : ₹ 30.50 lacs) pertain to AY 2006-07 and AY 2009-10, being disallowance of corporate expenses, disallowance under Section 14A and disallowance of interest under section 36(1)(iii).

(ii) Disputed demands of ₹ 287.17 lacs (31 March 2023 : ₹ 80.12 lacs) pertain to AY 2018-19, AY 2019-20 and AY 2020-21 relates to withholding of taxes for payment made outside India for consultancy and marketing services.

(iii) Other disputed demands of ₹100.78 lacs (31 March 2023 : 100.78 lacs) pertain to AY 2008-09 and AY 2016-17 related to Transfer pricing adjustments on account of interest on loan, commission on guarantees provided to subsidiaries etc.

(b) Contingent liabilities under Custom, service tax and excise duties of ₹ 1,521.25 lacs (31 March 2023 : ₹ 1,310.36 lacs) includes:

(i) Disputed demand of ₹ 668.90 lacs (31 March 2023 : ₹ 668.90 lacs) relating to transfer price adjustments on certain transactions with related parties.

(ii) Disputed demand of ₹ 641.46 lacs (31 March 2023 : ₹ 641.46 lacs) on account of classification of imported Textile Sizing Chemical.

(iii) Disputed demand of ₹ 98.43 lacs (31 March 2023 : Nil) relating to reimbursement of expenses incurred outside India and ₹ 112.46 lacs (31 March 2023 : Nil) on account of Goods and Services Tax (GST) input.

Note 31 : Leases

The Group has certain buildings on lease with contract terms of between 9 and 10 years. Set out below are the carrying amounts of right-of-use assets and the movements during the period:

I. Right-of-use assets:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Buildings		
Balance as at the beginning of the year	9,430.43	10,096.06
Depreciation for the year	(1,649.98)	(1,793.88)
Foreign exchange	136.00	1,128.25
Balance as at the end of the year	**7,916.45**	**9,430.43**

The Group also has certain buildings and vehicles on lease with contract terms of less than one year. These leases are classified as short-term. The Group has elected not to recognise Right-of-use assets and Lease liabilities for these leases.

II. Lease Liability:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liabilities	11,107.97	11,628.23
Interest expense on Lease Liabilities	558.94	636.30
Payment of Lease Liabilities	(1,843.32)	(2,249.03)
Foreign exchange	148.31	1,092.47
Balance as at the end of the year	**9,971.90**	**11,107.97**
Current	1,004.42	1,277.66
Non-current	8,967.48	9,830.31

III. Amounts recognised in profit or loss

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities	558.94	636.30
Amortisation expense on Right-of-use asset	(1,649.98)	(1,793.88)
Expenses relating to short-term leases (included in other expenses)	2,301.36	1,359.11

IV. Amounts recognised in statement of cash flows

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
The total cash outflow for leases including cash outflow of short-term leases and leases of low-value assets	4,144.68	3,608.14

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Note 32 : Segment Reporting

The Executive Vice Chairman & Managing Director of the group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The group is structured into a single segment of Textiles value chain, and accordingly the CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by the textiles and segment information has been presented accordingly.

The geographical information analyses the Group's revenue from external customer and non-current assets of its single reportable segment by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

a) Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised:

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
North America	2,20,176.46	2,12,292.82
India and Asia pacific	8,068.04	9,673.87
Europe, Middle East and Africa	28,005.15	23,546.29
Rest of the world	1,455.11	1,315.65
Total	**2,57,704.76**	**2,46,828.63**

Revenue generated from major customers

Revenue from two customers (31 March 2023 : two customers) individually contributing 10% or more of Group's revenue was 24.46% and 19.84% (31 March 2023 : 23.85% and 11.00%) of the total revenue respectively.

b) Non - current operating assets (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
India	2,27,638.27	2,37,901.01
Outside India	9,255.00	11,672.10
Total	**2,36,893.27**	**2,49,573.11**

Non - current assets for this purpose consists of all property, plant and equipment, capital work-in-progress and other intangible assets

Note 33 : Income Taxes

Amount recognized in consolidated statement of profit and loss (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax:		
In respect of the current year	5,193.11	15.43
	5,193.11	**15.43**
Deferred tax:		
In respect of the current year	(199.09)	(1,130.13)
	(199.09)	**(1,130.13)**
Income tax expense reported in the consolidated statement of profit and loss	**4,994.02**	**(1,114.70)**

Income tax recognized in other comprehensive income

Deferred tax : (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Re-measurements of defined employee benefit plan	(135.59)	135.28
Effective portion of gain / (loss) on hedging instruments in cash flow hedges	280.84	(544.72)
Income tax charged to other comprehensive income / (loss)	**145.25**	**(409.44)**

Reconciliation of effective tax rate (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit / (loss) before income tax	16,276.24	(7,522.67)
Enacted income tax rate in India	34.94%	34.94%
Tax using the Holding company's domestic tax rate	5,687.57	(2,628.72)
Effects of tax concessions and MAT entitlement	(1,279.32)	-
Effects of non - deductible expenses for tax purposes	419.68	264.80
Effects due to differential tax rates on capital gains	-	-
Other adjustments	166.09	404.32
Tax credit not recognised of losses of subsidiaries operating in other jurisdictions	-	844.90
Total income tax expense recognised in the consolidated statement of profit and loss	**4,994.02**	**(1,114.70)**

The Group has not elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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Note 33 : Income Taxes (continued)

Deferred tax

Deferred tax relates to the following:

(₹ Lacs)

Particulars	As at 01 April 2022	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	Foreign exchange differences	As at 31 March 2023	Recognised in profit and loss during 2023-24	Recognised in OCI during 2023-24	MAT utilisation	Foreign exchange differences	As at 31 March 2024
Deferred tax assets / (liabilities)										
Property, plant and equipment and intangible assets	(30,492.31)	(1,268.59)	-	-	(31,760.90)	(586.04)	-	-	-	(32,346.94)
Cash flow hedge	(332.62)	-	544.72	-	212.10	-	(280.84)	-	-	(68.74)
Provision for gratuity and compensated absences	1,202.06	(73.00)	(135.28)	-	993.78	287.49	135.59	-	-	1,416.86
Leases	161.79	-	-	-	161.79	-	-	-	-	161.79
Minimum alternate tax (MAT) credit	17,860.51	-	-	-	17,860.51	-	-	(1,963.38)	-	15,897.13
Unrealised profits on inventory	568.39	-	-	-	568.39	-	-	-	-	568.39
Others - business losses, unabsorbed depreciation and other disallowances	2,958.28	2,471.72	-	43.36	5,473.36	497.64	-	-	33.37	6,004.37
Deferred tax assets / (liabilities)	**(8,073.90)**	**1,130.13**	**409.44**	**43.36**	**(6,490.97)**	**199.09**	**(145.25)**	**(1,963.38)**	**33.37**	**(8,367.14)**

Note 34 : Earnings / (loss) per equity share

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net profit / (loss) for the year attributable to equity shareholders used in calculation of basic earnings per equity share	11,282.22	(6,407.97)
Add: Interest savings on convertible bonds, net of tax	262.88	-
Net profit / (loss) for the year attributable to equity shareholders used in calculation of diluted earnings per equity share	11,545.10	(6,407.97)

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Number of equity shares outstanding at the beginning of the year	9,84,57,160	9,84,57,160
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year in calculation of basic earnings per equity share	9,84,57,160	9,84,57,160
Add: Adjustments for calculation of diluted earnings per equity share:		
Shares issuable under convertible bonds	62,19,509	-
Weighted average number of equity shares adjusted for the effect of dilution	10,46,76,669	9,84,57,160

Earnings / (loss) per equity share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic (in ₹)	11.46	(6.51)
Diluted (in ₹)	11.03	(6.51)

Note 35: Financial instruments

Note 35.1 : Categories of financial instruments:

Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy
The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2024	Level 1	Level 2	Level 3
Financial assets:				
Measured at amortised cost				
Cash and cash equivalents	3,544.27	-	-	-
Bank balances other than cash and cash equivalents	12,848.39	-	-	-
Trade receivables	90,165.71	-	-	-
Loans (current and non-current)	78.43	-	-	-
Other financial assets (current and non-current)	35,328.76	-	-	-
Measured at fair value in hedging relationship				
Derivative assets	311.36	-	311.36	-
Measured at FVTPL				
Investments (current and non-current)	195.92	-	-	195.92
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	2,79,812.76	-	-	-
Trade payables	84,150.46	-	-	-
Lease liabilities (current and non-current)	9,971.90	-	-	-
Other financial liabilities (current and non-current)	6,257.02	-	-	-
Measured at fair value in hedging relationship				
Derivative liabilities	114.40	-	114.40	-

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(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2023	**Level 1**	**Level 2**	**Level 3**
Financial assets:				
Measured at amortised cost				
Cash and cash equivalents	5,875.04	-	-	-
Bank balances other than cash and cash equivalents	4,929.18	-	-	-
Trade receivables	67,002.37	-	-	-
Loans (current and non-current)	141.00	-	-	-
Other financial assets (current and non-current)	22,958.29	-	-	-
Measured at fair value in hedging relationship				
Derivative assets	114.09	-	114.09	-
Measured at FVTPL				
Investments (current and non-current)	988.19	-	-	988.19
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	2,69,495.23	-	-	-
Trade payables	81,451.66	-	-	-
Lease liabilities (current and non-current)	11,107.97	-	-	-
Other financial liabilities (current and non-current)	6,816.26	-	-	-
Measured at fair value in hedging relationship				
Derivative liabilities	721.05	-	721.05	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial assets:

The Group has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances and other financial assets because management believes that their carrying amounts are a reasonable approximation of their fair value.

Investments : Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Derivative assets / liabilities : Fair value is arrived from future cash flows based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

Financial liabilities:

Borrowings: It includes loans taken from banks and financial institution, cash credit and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on loans is reset on a monthly / quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed almost equal to the carrying values.

Note 35.2 : Financial risk management:

The Group's activities expose the Group to financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Board of directors of the Holding Company has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. Risk Management Committee examines the priority of risks and mitigation actions.

The Audit Committee of the Holding Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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i. Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Bank deposits includes an amount of ₹ 11,682.70 lacs (31 March 2023: ₹ 5,358.61 lacs) held with banks having high quality credit rating which is individually in excess of 10% or more of the Group's total bank deposits for the year ended 31 March 2024. None of the other financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 1,42,266.51 lacs and ₹ 1,01,013.34 lacs as at 31 March 2024 and 31 March 2023, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets excluding cash in hand and equity investments.

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) is as follows:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Gross %	Net %	Gross %	Net %
North America	74%	74%	80%	83%
Europe, Middle East and Africa	20%	20%	8%	5%
India and Asia pacific	5%	5%	11%	11%
Rest of the world	1%	1%	1%	1%

Geographical concentration of trade receivables is allocated based on the location of the customers.

ii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Management monitors rolling forecast of the Group's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

A) Financing arrangement

The Group maintains the following line of credit:

(a) Terms loans taken from bank aggregating to ₹ 52,205.82 lacs (31 March 2023 : ₹ 58,091.42 lacs) repayable in various quarterly and yearly installments with interest rate ranging from 7.56% to 12.80% (31 March 2023 : 7.56% to 12.24%) per annum. Term loans, non convertible debentures and foreign currency convertible bonds from financial institutions aggregating to ₹ 1,30,539.17 lacs (31 March 2023 : ₹ 1,02,333.83 lacs) with interest rate ranging from 4.5% to 13.56% (31 March 2023 : 6.99% to 13.56%) per annum.

(b) Working capital loans from banks carry an effective interest rate of 8.64% (31 March 2023: 5.24%) per annum, computed on a monthly basis on the actual amount utilized, and are repayable as per terms of the facility. Refer note 19.2 for details of security.

(c) The Group has receivable bill discounting facility from banks which are payable within 180 days from date of bill discounted.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2024 and 31 March 2023. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2024

(₹ Lacs)

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
Financial liabilities:					
Borrowings	2,79,812.76	3,45,005.83	1,37,854.06	1,68,380.57	38,771.20
Trade payables	84,150.46	84,150.46	84,150.46	-	-
Lease liabilities	9,971.90	12,070.71	1,503.02	7,222.46	3,345.23
Other financial liabilities	6,371.42	6,371.42	6,371.42	-	-

As at 31 March 2023

(₹ Lacs)

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
Financial liabilities:					
Borrowings	2,69,495.23	3,44,199.97	1,37,431.87	1,53,522.00	53,246.10
Trade payables	81,451.66	81,451.66	81,451.66	-	-
Lease liabilities	11,107.97	13,732.37	1,833.06	6,761.50	5,137.81
Other financial liabilities	7,537.31	7,537.31	7,537.31	-	-

As disclosed in note 16.1, the Group has secured loan from banks and financial institutions that contains loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

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iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk:

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are USD, GBP, EURO etc.

Management monitors the movement in foreign currency and the Group's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Group decides to hedge its foreign currency. A majority portion of the Group's revenues are in foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to foreign currencies, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative and non-derivative financial instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates.

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Sell Contracts:

	As at 31 March 2024			As at 31 March 2023		
Currency	**in Foreign Currency in (Million)**	**₹ Lacs**	**MTM (₹ Lacs)**	**in Foreign Currency in (Million)**	**₹ Lacs**	**MTM (₹ Lacs)**
In USD	118.30	99,486.00	197.27	42.21	34,244.41	(594.87)
Total		**99,486.00**	**197.27**		**34,244.41**	**(594.87)**

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Buy Contracts:

	As at 31 March 2024			As at 31 March 2023		
Currency	**in Foreign Currency in (Million)**	**₹ Lacs**	**MTM (₹ Lacs)**	**in Foreign Currency in (Million)**	**₹ Lacs**	**MTM (₹ Lacs)**
In USD	1.49	1,248.50	(0.55)	4.54	3,769.62	(12.09)
Total		**1,248.50**	**(0.55)**		**3,769.62**	**(12.09)**

The foreign exchange forward contracts mature within 12 months. The table below analyses the derivative financial instruments sell contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 30 days	8,377.05	12,431.41
31 to 90 days	18,711.92	15,060.46
91 to 180 days	17,834.80	5,059.14
181 to 365 days	54,562.23	1,693.40
Total	**99,486.00**	**34,244.41**

The table below analyses the derivative financial instruments buy contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 30 days	921.42	-
31 to 90 days	327.08	1,742.76
91 to 180 days	-	1,891.53
181 to 365 days	-	135.33
Total	**1,248.50**	**3,769.62**

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Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk (unhedged foreign currency exposure) as reported to management is as follows:

Particulars	Currency	As at 31 March 2024		As at 31 March 2023	
		Amount in foreign currency in lacs	Amount in ₹ lacs	Amount in foreign currency in lacs	Amount in ₹ lacs
Cash and cash equivalents	USD	0.14	11.92	0.21	17.41
	EUR	0.03	3.00	1.60	143.21
	GBP	0.07	7.57	0.38	38.24
Trade receivables	USD	467.94	39,014.15	255.19	20,974.28
	EUR	15.26	1,376.63	9.66	865.66
	GBP	6.80	716.02	7.86	801.02
	AED	0.02	0.35	0.02	0.34
Other non current assets	EUR	0.18	16.51	-	-
Other current assets	USD	0.22	18.47	-	-
	EUR	0.27	24.20	0.28	24.86
	CHF	0.02	2.04	0.01	0.81
	JPY	3.58	1.97	-	-
Borrowings	USD	147.45	12,293.56	82.31	6,764.85
Trade payables	USD	54.32	4,528.94	20.85	1,713.31
	EUR	0.61	54.72	0.46	40.91
	GBP	0.40	41.86	0.21	21.28
	CHF	0.03	2.48	0.44	39.34
	JPY	-	-	0.22	0.13
Other current liabilities	USD	0.16	13.00	1.43	117.55
	EUR	0.00	0.07	0.09	7.77
	GBP	0.91	95.90	0.05	4.59
Other financial liabilities	USD	2.21	184.34	4.01	329.29
	EUR	4.89	440.88	5.97	535.44

The following significant exchange rates have been applied

Currency	Year end spot rate	
	31 March 2024	31 March 2023
USD/INR	83.37	82.19
EUR/INR	90.22	89.63
GBP/INR	105.29	101.90
AED/INR	22.69	22.38
CHF/INR	92.43	89.93
JPY/INR	0.55	0.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO and GBP against ₹ at 31 March 2024 and 31 March 2023 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss (before tax)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (1% movement)	220.25	(220.25)	143.28	(143.28)
EURO (1% movement)	9.25	(9.25)	6.02	(6.02)
GBP (1% movement)	5.86	(5.86)	3.81	(3.81)
AED (1% movement)	0.00	(0.00)	0.00	(0.00)
CHF (1% movement)	(0.00)	0.00	(0.00)	0.00
JPY (1% movement)	0.02	(0.02)	0.01	(0.01)
31 March 2023				
USD (1% movement)	120.67	(120.67)	(78.50)	78.50
EURO (1% movement)	4.50	(4.50)	(2.93)	2.93
GBP (1% movement)	8.13	(8.13)	(5.29)	5.29
AED (1% movement)	0.00	(0.00)	(0.00)	0.00
CHF (1% movement)	(0.39)	0.39	0.25	(0.25)
JPY (1% movement)	(0.00)	0.00	0.00	(0.00)

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Interest rate risk

Interest rate risk primarily arises from floating rate borrowings, including various revolving and other lines of credit. The Group's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Group's borrowings comprises of term loans, working capital loans and bill discounting which carries variable rate of interest, which expose it to interest rate risk.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (current and non current)	2,79,812.76	2,69,495.23
Total	**2,79,812.76**	**2,69,495.23**

(b) Sensitivity

Particulars	Profit or loss (before tax)		Equity, net of tax	
	25 basis points Increase	25 basis points Decrease	25 basis points Increase	25 basis points Decrease
31 March 2024				
Borrowings (current and non current)	(686.63)	686.63	(446.70)	446.70
31 March 2023				
Borrowings (current and non current)	(687.55)	687.55	(447.29)	447.29

Note 35.3: Capital management

The Group's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to uphold investor, creditor and market confidence and to sustain future development and growth of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Group's capital management, adjusted net debt is defined as aggregate on non-current borrowing, current borrowing and current maturities of long-term borrowings and lease liabilities less cash and cash equivalents, deposits and current investments and total equity includes issued capital and all other equity reserves.

The Group's adjusted net debt equity ratio were as follows:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings including lease liabilities (current and non-current)	2,89,784.66	2,80,603.20
Less: Cash and cash equivalents including deposits and current investments	(16,512.88)	(12,278.80)
Adjusted net debt	**2,73,271.78**	**2,68,324.40**
Total equity	1,55,894.98	1,44,901.46
Net debt to equity ratio	**1.75**	**1.85**

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Note 36 : Related party disclosures

Note 36.1 : Name of related parties and description of relationship

Description of relationship	**Names of the related parties**
Key management personnel	Dinesh Kumar Himatsingka - Executive Chairman Shrikant Himatsingka - Executive Vice Chairman & Managing Director S Shanmuga Sundaram - Executive Director Sankaranarayanan. M - Chief Financial Officer (w.e.f. August 17, 2023) K.P.Rangaraj - Chief Financial Officer (upto March 15, 2023) Bindu D - Company Secretary & Compliance Officer (w.e.f. February 03, 2024) Sridhar Muthukrishnan - Company Secretary & Compliance Officer (upto February 02, 2024)
	Non-executive directors Harminder Sahni – Independent Director Sandhya Vasudevan – Independent Director Manish Joshi – Nominee Director (upto June 28, 2023 and nominated again w.e.f. Feb 01, 2024) Shyam Powar - Independent Director (w.e.f. May 30, 2023) Ravi Kumar - Independent Director (w.e.f. January 25, 2024) Rajiv Khaitan - Independent Director (upto May 30, 2023) Sangeeta Kulkarni - Independent Director (upto August 30, 2022) Pradeep Bhargava-Independent Director (upto November 14, 2022) Raja Venkataraman - Independent Director (upto January 02, 2023) V.Vasudevan - Non-Executive Director (upto December 15, 2022)
Transaction with entities over which key management personnel or relatives of such personnel are able to exercise significant influence	Khaitan & Co LLP (upto May, 2023) Jacaranda Design LLC Bihar Mercantile Union Private Limited Orient Silk Private Limited Aditya Resources Limited Priya Resources Private Limited Awdhan Trading Co Ltd Wazir Advisors Private Limited Himatsingka Foundation
Transaction with relatives of key management personnel	Mrs. Rajshree Himatsingka (Wife of Dinesh Kumar Himatsingka) Ms. Priyadarshini Himatsingka (Daughter of Dinesh Kumar Himatsingka) Mrs. Akanksha Himatsingka (Wife of Shrikant Himatsingka)

List of subsidiaries (including step down subsidiaries)

The Group's subsidiaries are set out below. Unless otherwise stated, they have same capital consisting solely of equity shares that are held directly by the Group and the proportion of the ownership interest held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Subsidiary/ Step Subsidiary	Country of	Ownership interest held by the Group as at 31 March 2024	31 March 2023	Principal activities of each subsidiary
Himatsingka Wovens Private Limited	Subsidiary	India	100%	100%	Retailing of home furnishings*
Himatsingka Holdings NA Inc.	Subsidiary	United States of America	100%	100%	Sale and distribution of textiles
Twill & Oxford LLC (under liquidation)	Subsidiary	United Arab Emirates	49%	49%	Sale and distribution of textiles
Himatsingka America Inc.	Step down subsidiary	United States of America	100%	100%	Sale and distribution of textiles

* During the financial year 2017-18 the Company has ceased its trading activity, and has started earning rental income by letting out its investment properties.

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Note 36.2 : Related party transactions during the year

(₹ Lacs)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Professional fees	Jacaranda Design LLC	165.77	166.56
	Khaitan & Co LLP	14.28	33.08
	V Vasudevan	-	18.00
	Wazir Advisors Private Limited	47.50	-
Sale of land	Dinesh Kumar Himatsingka	-	302.00
Contribution in relation to CSR Expenditure	Himatsingka Foundation	-	241.33

Note 36.3: Balance payable to related parties as at the balance sheet date:

(₹ Lacs)

Particulars		As at 31 March 2024	As at 31 March 2023
Other payables	Jacaranda Design LLC	363.69	209.33
	Wazir Advisors Private Limited	4.56	-
Total		**368.25**	**209.33**

Note 36.4 : Compensation and dividend payment to key management personnel

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and compensation	821.16	538.83
Commission	265.00	55.00
Dividend paid	-	102.24
Sitting fees	26.00	37.00
Total	**1,112.16**	**733.07**

Note 36.5 Compensation and dividend payment to other related parties

i) Relatives of key management personnel (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and compensation	150.00	149.06
Dividend paid	-	30.68
Total	**150.00**	**179.74**

ii) Entities over which key management personnel are able to exercise significant influence (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend paid		
Bihar Mercantile Union Private Limited	-	31.34
Orient Silk Private Limited	-	17.17
Aditya Resources Limited	-	16.49
Priya Resources Private Limited	-	15.61
Awdhan Trading Co Ltd	-	20.64
Total	-	**101.25**

Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are made on normal commercial terms.

Note 37 : Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expenses and that of provision for taxation.

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Note 38 : Other statutory Information

(i) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

(ii) The Group do not have any transactions with companies struck off.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

(v) The Group have 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

(vi)The Group have 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 Group 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,

(vii) The Group did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year 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, where applicable.

(viii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Note 39 : Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2024 -

Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ lacs)	As % of consolidated profit or loss	Amount (₹ lacs)	As % of consolidated Comprehensive income	Amount (₹ lacs)	As % of consolidated total comprehensive income	Amount (₹ lacs)
Himatsingka Seide Limited	115%	1,78,539.23	102%	11,539.74	(94)%	270.42	107%	11,810.16
Indian Subsidiaries								
Himatsingka Wovens Private Limited	2%	2,418.13	1%	125.04	0%	-	1%	125.04
Foreign Subsidiaries								
Himatsingka Holdings NA Inc.	74%	1,15,575.14	0%	(3.36)	0%	-	0%	(3.36)
Himatsingka America Inc.	27%	42,852.38	5%	546.31	0%	-	5%	546.31
Twill & Oxford LLC	0%	-	0%	-	0%	-	0%	-
		3,39,384.88		**12,207.73**		**270.42**		**12,478.15**
Consolidated adjustments	(118)%	(1,83,489.90)	(8)%	(925.51)	194%	(559.12)	-14%	(1,484.63)
Total	**100%**	**1,55,894.98**	**100%**	**11,282.22**	**100%**	**(288.70)**	**100%**	**10,993.52**

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2023 -

Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ lacs)	As % of consolidated profit or loss	Amount (₹ lacs)	As % of consolidated Comprehensive income	Amount (₹ lacs)	As % of consolidated total comprehensive income	Amount (₹ lacs)
Himatsingka Seide Limited	115%	1,66,729.07	47%	(3,019.52)	(16)%	(762.27)	240%	(3,781.79)
Indian Subsidiaries								
Himatsingka Wovens Private Limited	2%	2,293.09	(1)%	91.20	0%	-	(6)%	91.20
Foreign Subsidiaries								
Himatsingka Holdings NA Inc.	77%	1,12,286.63	0%	(3.30)	0%	-	0%	(3.30)
Himatsingka America Inc.	29%	41,951.12	53%	(3,422.26)	0%	-	217%	(3,422.26)
Twill & Oxford LLC	0%	-	0%	-	0%	-	0%	-
		3,23,259.91		**(6,353.88)**		**(762.27)**		**(7,116.15)**
Consolidated adjustments	(123)%	(1,78,358.45)	1%	(54.09)	116%	5,591.75	(351)%	5,537.66
Total	**100%**	**1,44,901.46**	**100%**	**(6,407.97)**	**100%**	**4,829.48**	**100%**	**(1,578.49)**

As per our report of even date attached

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

Vikram Dhanania
Partner
Membership number: 060568

Place: Bengaluru
Date : 23 May 2024

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN. 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block,
Koramangala, Bengaluru 560095, INDIA
Tel: +91 80 6811 1600

INDEPENDENT AUDITOR'S REPORT

To the Members of Himatsingka Seide Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Himatsingka Seide 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 report of other auditor on separate financial statements, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules,2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated loss and other comprehensive loss, 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. 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	Revenue recognition Refer note 2.3 to accounting policies and the disclosures related to revenue recognition in note 22 to the consolidated financial statements.	Our audit procedures in respect of this area included: 1. Assessed the appropriateness of the Group's revenue recognition accounting policies as per Ind AS 115 Revenue from Contracts with Customers.

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	As per Ind AS 115 Revenue from Contracts with Customers, revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. Revenue from sale of goods is recognised at a point in time when control is transferred to customer and there is no unfulfilled obligation. The Group's revenue is predominantly from the US markets and because of sluggish demand there has been significant pressure on the revenues during the year. This has led to increased audit risk on revenue recognition. The Group and its external stakeholders focus on revenue as a key performance indicator. This could result in a risk of revenues being overstated or recognized before control has been transferred. Because of the above factors, we have identified revenue recognition as a key audit matter.	2. Obtained an understanding of the revenue recognition process, and assessed the design, implementation, and operating effectiveness of key internal controls over recognition and measurement of revenue and sales returns in accordance with customer contracts, including correct timing of revenue recognition. 3. Performed substantive 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 verify the correct recognition of revenue. 5. Obtained the historical trends for revenue and corresponding sales returns based on the accounting records maintained by the Group. 6. Verified manual journals posted to revenue to identify unusual items and tested the same on a sample basis. 7. Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements in compliance with the requirements of Ind AS 115.
2	Impairment of goodwill Refer note 2.12 to accounting policies and note 4 to the consolidated financial statements. The Group has goodwill on account of Himatsingka America Inc (Step down subsidiary) of Rs. 52,386.74 lacs as on March 31, 2023 (Rs. 48,415.25 lacs as on March 31, 2022). Goodwill represents 9.47% of the Group's total assets and 36.15% of the Group's total equity.	Our audit procedures in respect of this area included: 1. Assessed whether the Group's accounting policies relating to the impairment of goodwill are in compliance with Ind AS 36 Impairment of Assets. 2. Obtained an understanding of the process followed by the management of Holding Company in respect of performing annual impairment analysis and tested the design, implementation and operating effectiveness of the relevant key controls related to the process of assessment of the annual impairment, including controls over determination of recoverable amounts of CGUs determined by the Holding Company.

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	The Group performs impairment testing for goodwill annually in accordance with the requirements of Ind AS 36 Impairment of Assets, to test whether the recoverable value is below carrying amount as on March 31, 2023. In performing such impairment assessment, the Group compared the carrying value of the identifiable cash generating units ("CGUs") to which goodwill had been allocated to their value in use. The computation is based on discounted forecast cash flow method to determine any impairment loss. In determining the recoverable value of CGUs, the Group has applied judgment in estimating future revenues, profit margins, long-term growth rate and discount rates, which involves inherent uncertainty since they are based on future business prospects and economic outlook. Changes in certain estimates and assumptions can lead to significant changes in the recoverable value and the assessment of impairment. Due to the materiality of the amount in the context of the consolidated financial statements and significant management judgement required for estimation of recoverable value of CGUs this is considered as a key audit matter.	2. Evaluated the Group's identification of CGUs, the carrying value of CGU and the valuation methodology followed by the Group for impairment assessment in compliance with the prevailing Indian Accounting Standards. 3. Evaluated the reasonableness of the key assumptions used in computing recoverable amount of CGUs, such as, growth rates, profitability, discount rates, etc, with reference to our understanding of the business and historical trends. 4. Tested key assumptions used by the Group external experts in computing fair value of the CGUs' future revenues, profit margins, long-term growth rate and discount rates. Also, evaluated the competence and objectivity of the external valuation specialist engaged by the management. 5. Involved internal experts for checking the reasonableness of the model and the valuation derived from the model. 6. Tested completeness and accuracy of the data input into the model for developing the estimates. 7. Performed a sensitivity analysis to evaluate the impact of changes in key assumptions individually or collectively to the recoverable value. 8. Assessed and validated the adequacy and appropriateness of the disclosures made by the management per relevant Indian Accounting Standards in the consolidated financial statements.
3	Recognition of government grants and assessment of its recoverability Refer note 2.7 to accounting policies and the disclosures related to government grants in note 7 and 9 to the consolidated financial statements.	Our audit procedures in respect of this area included: 1. Evaluated the government grant accounting policies by comparing with the applicable Indian Accounting Standards. 2. Tested the design and operating effectiveness of relevant key controls with respect to recognition of grant (including its classification as capital or revenue grant) and assessment of recoverability of government grants. 3. Performed substantive testing, on a sample basis, towards recognition of grants in accordance with the relevant schemes, its classification as revenue or capital grant and verified the supporting documents.

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	The Group is eligible for government grants under various schemes issued by the State and the Central Government. Each of these schemes requires fulfilment of conditions by the group to be eligible to receive the grant. Recognition of grants (including its classification as capital or revenue grant) requires a suitable assurance by the Group towards compliance with the conditions specified in the relevant schemes and that the grants will be received. The assessment of fulfilment of relevant conditions specified in the grant at the time of recognition involves judgement and assumptions which are subject to uncertainty. The Group assesses the recoverability of these grants at each balance sheet date. We have identified recognition of grant and assessment of its recoverability as a key audit matter because of the complexities in establishing the compliance with the eligibility conditions of the grant and judgement involved towards the assessment of its recoverability.	4. Evaluated the Group's assessment of recoverability of respective grants based on ageing analysis and obtained explanations from management to assess the adequacy of the level of provision, if any, required for amounts considered recoverable. 5. Tested the ageing analysis for matter that are not in litigation, and assessed the information used by the management to determine the recoverability of these grants by considering collections against historical trends. 6. Tested the arithmetical accuracy of the calculation of accrual of export benefits and prevailing discount on eScrips in compliance with the relevant conditions as specified in the notifications and policies, as applicable. 7. Assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements as per applicable Indian 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 and Director's report but does not include the consolidated financial statements and our auditor's report thereon. The Management report, Chairman's statement and Director's report are 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 and Director's report 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'.

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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 terms 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 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 Management 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 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 one subsidiary whose financial statements reflect total assets of Rs. 1,692.23 lacs as at March 31, 2023, total revenues of Rs. Nil and net cash flows amounting to Rs. Nil 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 this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

b. The consolidated financial statements of the Holding Company for the year ended March 31, 2022, were audited by another auditor whose report dated May 30, 2022 expressed an unmodified opinion on those statements.

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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 report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 our report on the statutory audit of a subsidiary company 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 Holding Company and its subsidiary incorporated in India, 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 30 to the consolidated financial statements.

    ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

iv.

1. The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us 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 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 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 subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, associates and joint ventures 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 in relation to the Holding Company and its subsidiary, 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 and its subsidiary in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. On the basis of our verification, we report that the final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary company incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information and explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder. No remuneration has been paid to any director by the subsidiary company incorporated in India and hence the requirement of Section 197 of the Act is not applicable to the subsidiary company incorporated in India.

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3. According to the information and explanations given to us, the details of qualification in the Companies (Auditor's Report) Order 2020 ('CARO') report issued by us for the Holding Company and our CARO report on subsidiary company incorporated in India issued till the date of our audit report in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary)	Clause number of the CARO Report which is qualified
1	Himatsingka Seide Limited	L17112KA1985PLC006647	Holding Company	Clause (ii)(b) Clause (vii)(a)

For M S K -A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amit Kumar Jhunjhunwala
Partner
Membership No. 067183
UDIN: 23067183BGWNTS3681

Place: Bengaluru
Date: May 30, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HIMATSINGKA SEIDE 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 and 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 and 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.

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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 (current year) 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

Amit Kumar Jhunjhunwala
Partner
Membership No. 067183
UDIN: 23067183BGWNTS3681

Place: Bengaluru
Date: May 30, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HIMATSINGKA SEIDE LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Himatsingka Seide 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 with reference to consolidated financial statements of Himatsingka Seide Limited (hereinafter referred to as "the Holding Company") and its subsidiary company (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 and its subsidiary company, 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 financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, 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 and its subsidiary company, 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.

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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, 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 company, 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.

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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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amit Kumar Jhunjhunwala
Partner
Membership No.067183
UDIN: 23067183BGWNTS3681

MSKA & ASSOCIATES * Chartered Accountants *

Place: Bengaluru
Date: May 30, 2023

Himatsingka Seide Limited
Consolidated Balance Sheet as at 31 March 2023

(₹ Lacs)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	2,40,777.72	2,52,580.91
Capital work-in-progress	3.1	2,988.06	4,428.46
Goodwill	4	52,386.74	48,415.25
Other Intangible assets	3.3	5,807.33	6,484.72
Right-of-use assets	31	9,430.43	10,096.06
Financial assets			
(i) Investments	5A	23.67	21.55
(ii) Loans	6	56.07	56.07
(iii) Other financial assets	7	2,206.65	2,003.20
Deferred tax assets (net)	8B	1,672.23	1,649.58
Income tax assets (net)	8A	1,514.02	1,360.25
Other non-current assets	9	5,364.25	6,584.97
Total non-current assets		**3,22,227.17**	**3,33,681.02**
Current assets			
Inventories	10	88,484.70	1,13,124.76
Financial assets			
(i) Investments	5B	964.52	1,309.48
(ii) Trade receivables	11	67,002.37	39,945.72
(iii) Cash and cash equivalents	12A	5,875.04	11,548.96
(iv) Bank balances other than (iii) above	12B	4,929.18	5,183.07
(v) Loans	6	84.93	87.83
(vi) Other financial assets	7	20,865.73	19,532.49
Other current assets	9	34,550.75	32,055.63
Assets held for sale	13	8,434.11	7,894.31
Total current assets		**2,31,191.33**	**2,30,682.25**
Total assets		**5,53,418.50**	**5,64,363.27**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	4,922.86	4,922.86
Other equity	15	1,39,978.60	1,42,048.49
Total equity		**1,44,901.46**	**1,46,971.35**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	1,47,698.34	1,58,916.55
(ii) Lease liabilities	31	9,830.31	10,138.66
Provisions	17	1,778.86	1,997.05
Deferred tax liabilities (net)	8B	8,163.20	9,723.48
Other non-current liabilities	18	24,788.67	26,603.05
Total non-current liabilities		**1,92,259.38**	**2,07,378.79**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	1,21,796.89	1,21,624.77
(ii) Lease liabilities	31	1,277.66	1,489.57
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	20	8,122.27	10,015.21
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	73,329.39	60,810.40
(iv) Other financial liabilities	21	7,537.31	6,468.51
Other current liabilities	18	3,106.77	3,614.05
Provisions	17	1,071.78	1,448.28
Current tax liabilities (net)	8A	15.59	4,542.34
Total current liabilities		**2,16,257.66**	**2,10,013.13**
Total liabilities		**4,08,517.04**	**4,17,391.92**
Total equity and liabilities		**5,53,418.50**	**5,64,363.27**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

Amit Kumar Jhunjhunwala
Partner
Membership number: 067183

Place: Bengaluru
Date : 30 May 2023

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Place: Bengaluru
Date : 30 May 2023

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2023

Himatsingka Seide Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(₹ Lacs)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	22	2,67,774.26	3,18,395.02
Other income	23	7,501.85	1,961.95
Total income		**2,75,276.11**	**3,20,356.97**
Expenses			
Cost of raw materials and packing materials consumed	24A	1,28,291.08	1,75,271.29
Purchases of stock-in-trade	24B	6,533.54	19,417.91
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24C	19,386.15	(30,275.89)
Employee benefits expense	25	28,160.14	32,718.71
Finance costs	26	25,723.16	18,117.08
Depreciation and amortisation expense	27	16,403.32	15,842.56
Other expenses	28	58,301.39	68,232.80
Total expenses		**2,82,798.78**	**2,99,324.46**
Profit / (loss) before tax		**(7,522.67)**	**21,032.51**
Tax expense			
Current tax	33	15.43	4,290.39
Deferred tax	33	(1,130.13)	2,660.49
Total tax expense		**(1,114.70)**	**6,950.88**
Profit / (loss) for the year		**(6,407.97)**	**14,081.63**
Other comprehensive income			
A. Item that will not be reclassified to profit or loss			
Re-measurements gain on defined employee benefit plan		387.14	23.12
Income tax effect on above		(135.28)	(8.08)
B. Item that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		5,591.75	1,714.98
Effective portion of (loss)/gain on hedging instruments in cash flow hedges		(1,558.85)	199.76
Income tax effect on above		544.72	(69.80)
Other comprehensive income for the year, net of tax		**4,829.48**	**1,859.98**
Total comprehensive (loss) / income for the year		**(1,578.49)**	**15,941.61**
Earnings / (loss) per equity share (face value of ₹ 5 each)			
Basic and diluted (in ₹)	**34**	**(6.51)**	**14.30**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

Amit Kumar Jhunjhunwala
Partner
Membership number: 067183

Place: Bengaluru
Date : 30 May 2023

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Place: Bengaluru
Date : 30 May 2023

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2023

Himatsingka Seide Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

Particulars	(₹ Lacs)
A. Equity share capital (refer note 14)	
Balance as at 01 April 2021	**4,922.86**
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**4,922.86**
Changes in equity share capital during the year	-
Balance as at 31 March 2023	**4,922.86**

B. Other Equity

(₹ Lacs)

Particulars	Reserves and surplus (Refer note 15)						Other comprehensive income (Refer note 15)			
	Capital reserve on consolidation	Capital reserve	Securities premium reserve	General reserve	Legal reserve	Retained earnings	Effective portion of cash flow hedge	Foreign currency translation reserve	Remeasurement of net defined benefit liability or asset	Total Other Equity
Balance as at 1 April 2021	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.18**	**75,292.85**	**489.71**	**5,516.94**	**(342.84)**	**1,26,599.34**
Profit for the year	-	-	-	-	-	14,081.63	-	-	-	**14,081.63**
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	129.96	1,714.98	15.04	**1,859.98**
Payment of dividends	-	-	-	-	-	(492.29)	-		-	**(492.29)**
Foreign exchange differences	-	-	-	-	(0.17)	-	-		-	**(0.17)**
Balance as at 31 March 2022	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.01**	**88,882.19**	**619.67**	**7,231.92**	**(327.80)**	**1,42,048.49**
Balance as at 1 April 2022	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.01**	**88,882.19**	**619.67**	**7,231.92**	**(327.80)**	**1,42,048.49**
Loss for the year	-	-	-	-	-	(6,407.97)	-	-	-	**(6,407.97)**
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	(1,014.13)	5,591.75	251.86	**4,829.48**
Payment of dividends	-	-	-	-	-	(492.29)	-	-	-	**(492.29)**
Foreign exchange differences	-	-	-	-	0.89	-	-	-	-	**0.89**
Balance as at 31 March 2023	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.90**	**81,981.93**	**(394.46)**	**12,823.67**	**(75.94)**	**1,39,978.60**

Summary of significant accounting policies (refer note 2)

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

Amit Kumar Jhunjhunwala
Partner
Membership number: 067183

Place: Bengaluru
Date : 30 May 2023

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2023

Place: Bengaluru
Date : 30 May 2023

Himatsingka Seide Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2023

(₹ Lacs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Profit / (loss) for the year	(6,407.97)	14,081.63
Adjustments for:		
Finance costs	25,723.17	18,117.08
Interest income	(373.02)	(275.73)
Net gain on sale of current investments	(8.73)	(60.37)
Loss on current investments carried at fair value through profit or loss	-	40.46
Net (gain) / loss on disposal of property, plant and equipment	(1,895.80)	146.38
Loss allowance on financial assets (net)	256.61	35.64
Amortized value of employee loans and security deposits	7.31	24.36
Depreciation and amortisation expense	16,403.32	15,842.56
Net foreign exchange loss on non operating activities	472.80	107.09
Tax expense	(1,093.04)	6,950.88
Operating profit before working capital changes	**33,084.65**	**55,009.98**
Changes in operating assets and liabilities		
(Increase) / decrease in trade receivables	(25,156.44)	(6,234.16)
(Increase) / decrease in inventories	30,632.63	(31,819.64)
(Increase) / decrease in other assets	(502.74)	(16,652.56)
Increase / (decrease) in trade payables	3,172.79	7,938.97
Increase / (decrease) in provisions	(207.56)	496.18
Increase / (decrease) in other liabilities	(966.08)	234.51
Cash generated from operations	**40,057.25**	**8,973.28**
Income taxes paid (net)	(4,645.99)	(2,187.96)
Net cash flow from operating activities (A)	**35,411.26**	**6,785.32**
Cash flows from investing activities		
Proceeds from sale of current investments (net)	353.70	700.46
Interest received	539.97	284.59
Acquisition of property, plant and equipment and intangible assets	(972.93)	(14,758.28)
Investment in fixed deposits	(16,901.49)	(42,137.71)
Proceeds from fixed deposits maturity	17,198.74	42,285.79
Net cash flow from / (used in) investing activities (B)	**217.99**	**(13,625.15)**
Cash flows from financing activities		
Proceeds from / (repayment of) borrowings - Current (net)	4,070.23	20,920.41
Proceeds from borrowings - Non-Current	69,788.11	50,774.11
Repayment of borrowings - Non Current	(86,372.58)	(38,680.18)
Dividends paid on equity shares	(492.29)	(492.29)
Payment of lease liabilities	(2,249.03)	(1,942.18)
Proceeds from government subsidies	2,748.47	5,549.92
Interest paid	(27,582.29)	(23,997.12)
Net cash flow from / (used in) financing activities (C)	**(40,089.38)**	**12,132.67**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(4,460.13)**	**5,292.84**
Cash and cash equivalents at the beginning of the year	**11,548.96**	**6,719.34**
Effects of exchange rate changes on cash and cash equivalents	(1,213.79)	(463.22)
Cash and cash equivalents at the end of the year	**5,875.04**	**11,548.96**
Components of cash and cash equivalents (refer note 12A)		
Cash and cash equivalents comprise of		
Cash in hand	6.63	8.31
Balance with banks		
- in current accounts	5,868.41	9,149.65
- in deposit accounts (with original maturity of period of less than three months)	-	2,391.00
Total	**5,875.04**	**11,548.96**

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Himatsingka Seide Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2023

Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities **(₹ Lacs)**

	Opening balance 1 April 2022	Cash flows	Non-cash movement	Closing balance 31 March 2023
Non current borrowings (including current maturities of non current borrowings)	1,75,934.30	(16,584.47)	1,075.43	1,60,425.26
Current borrowings (excluding current maturities of non current borrowings)	1,04,607.02	4,070.23	392.72	1,09,069.97
Interest accrued but not due	1,781.75	(27,582.29)	28,162.97	2,362.43
Total liabilities from financing activities	**2,82,323.07**	**(40,096.53)**	**29,631.12**	**2,71,857.66**

Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities **(₹ Lacs)**

	Opening balance 1 April 2021	Cash flows	Non-cash movement	Closing balance 31 March 2022
Non current borrowings (including current maturities of non current borrowings)	1,63,071.09	12,093.93	769.28	1,75,934.30
Current borrowings (excluding current maturities of non current borrowings)	83,579.51	20,920.41	107.10	1,04,607.02
Interest accrued but not due	1,407.32	(23,997.12)	24,371.55	1,781.75
Total liabilities from financing activities	**2,48,057.92**	**9,017.22**	**25,247.93**	**2,82,323.07**

The Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

Amit Kumar Jhunjhunwala
Partner
Membership number: 067183

Place: Bengaluru
Date : 30 May 2023

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2023

Place: Bengaluru
Date : 30 May 2023

Corporate information

Himatsingka Seide Limited ("the Company") is incorporated and domiciled in India. The Company together with its subsidiaries (including step subsidiaries) is collectively referred to as ("the Group"). The Company is a public limited company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange. The Group is primarily engaged in manufacturing, sale and distribution of home textile products. The Group has two manufacturing facilities in India and has retail and distribution businesses across North America, Europe and Asia.

The Group's consolidated financial statements were approved by the Company's Board of Directors on 30 May 2023.

The registered office of the Company is 10/24, Kumara Krupa Road, High Grounds, Bengaluru – 560 001.

1. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III and other relevant provisions of the Act.

1.1 Functional and presentation currency

These consolidated financial statements are presented in India Rupees (₹), which is also the Company's functional currency. All amounts have been presented in rupees in lacs and rounded off upto two decimals.

1.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis of accounting except:

a. Defined benefit and other long-term employee benefits that are measured at present value of defined benefit obligations less fair value of plan assets.
b. Certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The Group has consistently applied the following accounting policies to all the years presented in the consolidated financial statements.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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1.3 Use of estimates, assumptions, and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses for the year reported. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimates are revised, and future periods are affected.

Assumptions, judgements, and estimations

Information about assumptions, judgements and estimations that have a significant risk of resulting in a material adjustment during the year ended 31 March 2023 is summarized below:

<u>Determination of the estimated useful lives:</u>

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, these are estimated by management taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

<u>Recognition and measurement of defined benefit obligations:</u>
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

<u>Impairment testing:</u>
Property, plant and equipment, right of use assets, investments, goodwill, intangible assets and other assets are tested for impairment at least annually and when event occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

<u>Expected credit losses on financial assets:</u>
The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate (in case of non-current financial assets).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group doe[illegible]s in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Provisions & contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision.

Government Grants

The Group is eligible for government grants under various schemes issued by the State and the Central Government. Each of these schemes requires fulfilment of conditions by the Group to be eligible to receive the grant. Recognition of grants (including its classification as capital or revenue grant) requires judgement and assumptions, which are subject to uncertainty, regarding compliance with the conditions specified in the relevant schemes and receipt of the grants. The Group reassesses the recoverability of these grants at each balance sheet date.

1.4 Measurement of fair values

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

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.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs are 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) ; and

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.Further information about the assumptions made in measuring fair values is included in note 35-financial instruments.

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1.5 Current versus non-current classification

All assets and liabilities have been classified as current or non-current based on the Group's normal operating cycle for its businesses, as per the criteria set out in the Schedule III to the Act.

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

2. Significant accounting policies

2.1 Basis of consolidation

The Group consolidates all entities which are controlled by it. Subsidiaries are the entities controlled by the Group. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (including step subsidiaries) as disclosed in Note 40.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date control ceases.

The consolidated financial statements of the subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform policies in use at the Group.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Consolidated statement of profit and loss of such entities has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

2.2 Business combination

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was establi[illegible]ose, co[illegible]l. The assets and liabilities acquired are recognized at their [illegible]he

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identity of the reserves is preserved, and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

2.3 Revenue recognition

Revenue from contracts with customers -sale of goods:

Revenue is recognised upon transfer of control of promised goods to customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group derives its revenue primarily from sale of products.

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at transaction price received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Revenue from sale of products is recognised at a point in time when control is transferred to customer.

The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Scrap sales:

Revenue from sale of scrap is measured at the transaction price of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per the terms of contract with customers.

Contract balances:

Trade receivables

A trade receivable is recognized if the amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section – Financial instruments – initial recognition and subsequent measurement.

Cost to obtain a contract and cost to fulfil a contract

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term as reduction in revenue.

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Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognized.

2.4 Other income

Other income comprises interest income, and gain/ (losses) on disposal of financial assets and non-financial assets. It is recognized on accrual basis except where the receipt of income is uncertain.

Interest income is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

Dividend income is recognized when the right to receive dividend is established.

2.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(i) Right-of-use assets

The Group recognizes a right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less accumulated amortization, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the consolidated statement of profit and loss.

(ii) Lease liabilities

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease. if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incr ate. For leases with reasonably similar characteristics, the Gr v

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lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

(iii) Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

2.6 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs allocated to and utilized for qualifying assets pertaining to the period from commencement of activities directly attributable to the acquisition, construction or production upto the date of capitalization of such asset are added to the cost of the assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

2.7 Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognized in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented as a deduction in reporting the related expense. The presentation approach is applied consistently to all similar grants. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to consolidated statement of profit and loss over the periods and in proportions in which depreciation expense on those assets is recognized.

Income from export incentives are recognized in the consolidated statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of exports made and disc ing revenues.

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Income from government incentives (other than export incentive) are recognized in the consolidated statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established and disclosed as a reduction to the related expenses.

2.8 Employee benefits

a. Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the consolidated statement of profit and loss does not include an expected return on plan assets. Instead, net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit and loss in subsequent periods.

b. Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, bonus, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term performance incentive, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Compensated absences

The employees of the Group are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date. Actuarial gains / losses are immediately taken to the consolidated statement of profit and loss. The Group presents the entire obligation

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for compensated absences as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months from the reporting date.

d. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee Provident Fund, ESIC to regulatory authorities. Such benefits are classified as defined contribution plan. The Group's contribution is recognized as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

2.9 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the concerned company in the Group will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are [illegible] by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

The Group offsets, the current tax assets and liabilities (on a year-on-year basis), where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.10 Property, plant and equipment

a. Recognition and measurement:

Items of property, plant and equipment, except land, held for use in the production, supply or administrative purposes, are measured at cost less accumulated depreciation (which includes capitalized borrowing costs, if any) and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing an asset to working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Assets in the course of construction are capitalized as capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit and loss.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under Capital work in progress.

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b. Depreciation:

Depreciation is provided on a Straight Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is recognised in the consolidated statement of profit and loss.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

The Group has estimated the useful lives for property, plant and equipment as follows:

Class of assets	Years
Buildings	10 – 60 years
Plant and equipment*	8 - 40 years
Furniture and fixtures	10 years
Office equipment	3-6 years
Books and catalogue*	4 years
Vehicles	6 -10 years
Leasehold improvements	shorter of the lease term and their estimated useful lives

Land is not depreciated.

* The Management believes that the useful lives as given best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for some of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act.

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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.11 Goodwill and Other Intangible Assets

a) Goodwill

For measurement of goodwill that arises on a business combination refer note 2.2. Subsequent measurement is at cost less any accumulated impairment losses.

b) Other intangible assets

i. Recognition and measurement

Acquired intangible assets
Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization and any accumulated impairment loss.

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Internally generated intangible assets
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

ii. Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortization

The Group amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles (including internally generated intangible assets) are as follows:

Class of asset	Useful life
Computer software	4 - 10 years
Technical know-how	10 years
Brands and licenses	3-10 years

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

iv. Derecognition of intangible assets

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit and loss.

2.12 Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that may be impaired, relying on a number of factors including operating results, business plans flows. For the purpose of impairment testing, goodwill acquired in a business co the Group's cash generating units (CGU) or groups of CGU's expected to benefit from fror the business combination. A CGU is the smallest identifiable group of asse i independent of the cash inflows from other assets or group occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and is not reversed in the subsequent period.

Other intangible assets and property, plant and equipment

Other intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets/ CGU are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/ CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.13 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and traded goods, cost comprises of cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.14 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

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Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the consolidated statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Also refer note 2.6 regarding exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

2.15 Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (where the effect of time value of money is material, representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognized as finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed by way of note to the consolidated financial statements.

2.16 Financial Instruments

a. Initial recognition and initial measurement

The financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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b. Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified and measured at
- amortized cost;
- fair value through other comprehensive income (FVOCI) - debt investment;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not re-classified subsequent to their initial recognition, except if and in the period there are changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in the consolidated statement of profit and loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit and loss. Any gain or loss on derecognition is recognized in the consolidated statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Consolidated statement of profit and loss.

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Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to the Statement of profit and loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognized only when:

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an asset is transferred, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

ii. Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated statement profit and loss.

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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the consolidated statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in consolidated statement of profit and loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.

Derecognition

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.17 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the consolidated statement of profit and loss.

The Group designates their derivatives as hedge instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a

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present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the consolidated statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the consolidated statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the consolidated statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the consolidated statement of profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the consolidated statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

2.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/loss before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

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2.21 Cash dividend

The Group recognizes a liability to make dividend distributions to equity holders of the Group when the distribution is authorized, and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the respective Company's Board of Directors.

2.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.23 Non-current assets for sale

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

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. 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 (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

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

Property, plant and equipment and intangible are not depreciated, or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

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2.24 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of financial statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 – Accounting policies, change in accounting estimates and errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 – Income tax

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

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Himatsingka Seide Limited ★

Himatsingka Seide Limited
Notes to the consolidated financial statements for the year ended 31 March 2023

Note 3.1 : Property plant and equipment

Tangible Assets

(₹ Lacs)

Particulars	Land (refer note 3.1.3)	Buildings	Plant and Equipment	Furniture and Fixtures	Leasehold Improvements	Office Equipment	Vehicles	Books & Catalogue	Total	Capital Work in Progress
Cost:										
Balance as at 1 April 2021	**28,484.23**	**71,435.73**	**2,22,968.26**	**13,254.80**	**3,331.72**	**7,298.85**	**185.37**	**544.01**	**3,47,502.96**	**14,155.59**
Additions	416.11	215.13	14,365.72	45.31	-	165.72	-	-	15,207.99	5,579.24
Disposals	-	(178.02)	(330.30)	(329.57)	-	(70.24)	-	-	(908.13)	-
Transfers	-	-	-	-	-	-	-	-	-	(15,306.37)
Other adjustments	-	-	53.35	249.96	81.64	37.79	(0.03)	-	422.71	
Balance as at 31 March 2022	**28,900.34**	**71,472.84**	**2,37,057.03**	**13,220.50**	**3,413.36**	**7,432.12**	**185.34**	**544.01**	**3,62,225.53**	**4,428.46**
Balance as at 1 April 2022	**28,900.34**	**71,472.84**	**2,37,057.03**	**13,220.50**	**3,413.36**	**7,432.12**	**185.34**	**544.01**	**3,62,225.53**	**4,428.46**
Additions	-	2,333.60	443.28	36.35	-	210.37	-	-	3,023.60	1,952.44
Disposals	(282.21)	-	(2,918.69)	-	-	-	-	-	(3,200.90)	-
Transfers	-	-	-	-	-	-	-	-	-	(3,392.84)
Other adjustments	-	-	246.52	827.77	316.95	182.06	(0.04)	-	1,573.26	-
Balance as at 31 March 2023	**28,618.13**	**73,806.44**	**2,34,828.14**	**14,084.62**	**3,730.31**	**7,824.55**	**185.30**	**544.01**	**3,63,621.49**	**2,988.06**
Accumulated depreciation:										
Balance as at 1 April 2021	-	**(8,551.17)**	**(70,575.24)**	**(7,544.52)**	**(2,182.89)**	**(6,237.44)**	**(122.20)**	**(390.01)**	**(95,603.47)**	-
Depreciation charge for the year		(2,627.09)	(10,493.87)	(1,149.52)	(159.60)	(54.56)	(4.60)	(97.41)	(14,586.65)	-
Disposals		178.02	181.04	329.57		70.20	-	-	758.83	-
Other adjustments		-	10.39	(159.87)	(39.19)	(24.69)	0.03	-	(213.33)	-
Balance as at 31 March 2022	-	**(11,000.24)**	**(80,877.68)**	**(8,524.34)**	**(2,381.68)**	**(6,246.49)**	**(126.77)**	**(487.42)**	**(1,09,644.62)**	-
Balance as at 1 April 2022	-	**(11,000.24)**	**(80,877.68)**	**(8,524.34)**	**(2,381.68)**	**(6,246.49)**	**(126.77)**	**(487.42)**	**(1,09,644.62)**	-
Depreciation charge for the year		(2,583.29)	(10,702.24)	(1,057.85)	(148.67)	(317.67)	(4.56)	(38.05)	(14,852.33)	-
Disposals		-	2,687.84	-		-			2,687.84	-
Other adjustments		-	(85.14)	(560.49)	(245.45)	(143.62)	0.04	-	(1,034.66)	-
Balance as at 31 March 2023	-	**(13,583.53)**	**(88,977.22)**	**(10,142.68)**	**(2,775.80)**	**(6,707.78)**	**(131.29)**	**(525.47)**	**(1,22,843.77)**	-
Net book value:										
As at 31 March 2023	**28,618.13**	**60,222.91**	**1,45,850.92**	**3,941.94**	**954.51**	**1,116.77**	**54.01**	**18.54**	**2,40,777.72**	**2,988.06**
As at 31 March 2022	**28,900.34**	**60,472.60**	**1,56,179.35**	**4,696.16**	**1,031.68**	**1,185.63**	**58.57**	**56.59**	**2,52,580.91**	**4,428.46**

Note 3.1.1 :

Security

Refer note 16.1 and 19.2 for information on property, plant and equipment pledged as security by the Company.

Note 3.1.2 :

Other adjustments include exchange fluctuation arising on account of translation of foreign operations.

Note 3.1.3

The Company has entered into lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement amounting to ₹ 6,585.19 lacs. The Company is in the process of applying for the transfer of such land in its name.

Note 3.1.4

The above assets other than to the extent mentioned in note 3.1.3 are owned by the Group.

Note 3.2 : Capital work-in-progress

a) Capital work-in-progress ageing :

(₹ Lacs)

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,502.12	1,362.14	123.80	-	2,988.06
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2023	**1,502.12**	**1,362.14**	**123.80**	**-**	**2,988.06**
Projects in progress	2,638.65	544.43	1,124.32	121.06	4,428.46
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2022	**2,638.65**	**544.43**	**1,124.32**	**121.06**	**4,428.46**

There are no projects where the completion is overdue or cost has exceeded when compared to its original plan.

Note 3.3 : Other intangible assets

(₹ Lacs)

Particulars	Computer Software	Technical Know-How	Brands & Licenses	Total
Cost:				
Balance as at 1 April 2021	**8,082.36**	**347.99**	**32,797.04**	**41,227.39**
Additions	98.38	-	-	98.38
Disposals	(229.40)	-	-	(229.40)
Other adjustments	102.17	-	175.99	278.16
Balance as at 31 March 2022	**8,053.51**	**347.99**	**32,973.03**	**41,374.53**
Balance as at 1 April 2022	**8,053.51**	**347.99**	**32,973.03**	**41,374.53**
Additions	349.44	-	-	349.44
Disposals	-	-	-	-
Other adjustments	301.51	-	824.83	1,126.34
Balance as at 31 March 2023	**8,704.46**	**347.99**	**33,797.86**	**42,850.31**
Accumulated amortisation:				
Balance as at 1 April 2021	**(3,675.79)**	**(129.68)**	**(29,546.43)**	**(33,351.90)**
Amortisation	(356.33)	(32.42)	(1,310.79)	(1,699.54)
Disposals	229.40	-	-	229.40
Other adjustments	(39.15)	-	(28.62)	(67.77)
Balance as at 31 March 2022	**(3,841.87)**	**(162.10)**	**(30,885.84)**	**(34,889.81)**
Balance as at 1 April 2022	**(3,841.87)**	**(162.10)**	**(30,885.84)**	**(34,889.81)**
Amortisation	(372.12)	(32.42)	(1,278.83)	(1,683.37)
Disposals	-	-	-	-
Other adjustments	(119.74)	-	(350.06)	(469.80)
Balance as at 31 March 2023	**(4,333.73)**	**(194.52)**	**(32,514.73)**	**(37,042.98)**
Net book value as at 31 March 2023	**4,370.73**	**153.47**	**1,283.13**	**5,807.33**
Net book value as at 31 March 2022	**4,211.64**	**185.89**	**2,087.19**	**6,484.72**

Note 3.3.1 :
Other adjustments include exchange fluctuation arising on account of translation of foreign operations.

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Note 4 : Goodwill

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Cost		
Balance at beginning of year	48,415.25	47,333.51
Effect of foreign currency exchange differences	3,971.49	1,081.74
Balance at end of year	**52,386.74**	**48,415.25**

i) Impairment tests for goodwill

Goodwill acquired through business combination pertains to the Home Textile Segment which is the only reportable segment.

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Home Textile Segment	52,386.74	48,415.25

(ii) Significant estimate: Key assumptions used for value-in-use calculations

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations on a discounted cash flow method which require the use of assumptions. Management prepare forecast for a period of seven years and applies perpetuity growth rate of 2.5% from 7th year onwards. The calculations use cash flow projections calculated using the estimated growth and pre-tax discount rates stated below.

The following table sets out the key assumptions for the CGU that have significant goodwill allocated to them:

Assumptions	As at 31 March 2023	As at 31 March 2022
Sales Growth (% annual growth rate)	4% - 11%	4% - 9%
EBITDA Growth (%)	4% - 11%	4% - 7%
Pre-tax discount rate (%)	11.31%	9.63%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used for determining values
Sales Growth	Average annual growth rate over the forecasted period; based on past performance and management's expectations for the future.
EBITDA (%)	Based on past performance and management's expectations for the future.
Pre-tax discount rate (%)	Reflect specific risks relating to the relevant segment and the country in which it operates.

Note 5 : Investments

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Note 5A : Non-current investments		
Unquoted - Investments carried at fair value through profit and loss		
Investments in equity instruments	23.67	21.55
Total	**23.67**	**21.55**

Note 5A.1: Details of investments

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in equity instruments		
Industria e Universita S.r.l. (No. of shares : 13,005,000) (As at 31 March 2022: 13,005,000)	23.67	21.55
Applied DNA Sciences, Inc. (No. of shares: Nil) (As at 31 March 2022: 5,34,361)	-	664.21
	23.67	685.76
Less: Provision towards impairment of investments	-	(664.21)
Total	**23.67**	**21.55**
Aggregate value of unquoted investments	23.67	21.55
Aggregate amount of impairment in value of investments	-	(664.21)

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Note 5B: Current investments

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
5B.1 Investments in mutual funds (Unquoted - at fair value through profit and loss)		
IDFC Corporate bond fund - direct plan growth plan [(No. of units: Nil (As at 31 March 2022: 21,50,611.31)]	-	344.96
Total (A)	-	**344.96**

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
5B.2 Investments in equity instruments (unquoted - at fair value through profit and loss)		
Atria Wind Power (Chitradurga) Private Limited Equity shares of INR 251 each fully paid up [No. of shares: 2,41,637 (As at 31 March 2022 : 2,41,637)]	606.51	606.51
Atria Wind Power (Basavana Bagewadi) Private Limited Equity shares of INR 193.28 each fully paid up [No. of shares: 1,85,226 (As at 31 March 2022 : 1,85,226)]	358.01	358.01
Total (B)	**964.52**	**964.52**
Total (A+B)	**964.52**	**1,309.48**
Aggregate value of unquoted investments	**964.52**	**1,309.48**

Note 6 : Loans

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Loans to employees	56.07	56.07
Total	**56.07**	**56.07**
Current		
Unsecured, considered good		
Loans to employees	84.93	87.83
Total	**84.93**	**87.83**

Note 7 : Other financial assets

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Fixed deposits with Banks with maturity period more than twelve months*	510.06	562.59
Electricity deposits	1,052.05	806.39
Other deposits	644.54	634.22
Total	**2,206.65**	**2,003.20**
Current		
(a) Unsecured, considered good		
Interest subsidy receivable	2,807.92	3,126.30
Subsidy receivable under various government schemes	15,487.03	14,444.89
Interest receivable	89.09	263.35
Security deposits	192.42	282.25
Other receivables	2,175.18	32.73
Derivative assets - foreign exchange forward contracts	114.09	1,382.97
Total	**20,865.73**	**19,532.49**

*Includes restricted deposits of ₹ 505.00 lacs (31 March 2022: ₹ 556.07 lacs) placed as a lien as on 31 March 2023.

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Note 8 : Tax assets and liabilities

Note 8(A) : Income tax assets and liabilities

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current income tax assets		
Advance tax and taxes deducted at source	22,689.02	22,535.25
Less: Provisions related to the above	(21,175.00)	(21,175.00)
Income tax assets (net)	**1,514.02**	**1,360.25**
Current tax liabilities		
Income tax provisions	12,547.23	17,073.98
Less: Advance tax and taxes deducted at source related to above	(12,531.64)	(12,531.64)
Current tax liabilities (net)	**15.59**	**4,542.34**

Note 8(B) : Deferred tax assets /liabilities*

The following is the analysis of the net deferred tax asset/liability position as presented in the financial statements

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities		
Property, plant and equipments and intangible assets	31,760.90	30,492.31
Cash flow hedge	-	332.62
Total deferred tax liabilities (A)	**31,760.90**	**30,824.93**
Deferred tax assets		
Provision for gratuity and compensated absences	993.78	1,202.06
Cash flow hedge	212.10	-
Leases	161.79	161.79
Minimum alternate tax credit entitlement	17,860.51	17,860.51
Others - business losses, unabsorbed depreciation and other disallowances	6,041.75	3,526.67
Total deferred tax assets (B)	**25,269.93**	**22,751.03**
Net deferred tax liability (A - B)	**6,490.97**	**8,073.90**

*refer note 33

Deferred tax presentation in balance sheet comprises of:		
Deferred tax liabilities (net) (C)	8,163.20	9,723.48
Deferred tax assets (net) (D)	1,672.23	1,649.58
Net deferred tax liability (C - D)	**6,490.97**	**8,073.90**

Note 9 : Other assets

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Capital advances	1,084.91	1,271.65
Contract acquisition costs	4,225.15	5,253.76
Others	54.19	59.56
Total	**5,364.25**	**6,584.97**
Current		
Advances to suppliers	17,687.66	1,142.50
Balances with government authorities (other than income taxes)	6,243.27	6,496.63
Subsidy receivable under various government schemes	5,960.75	18,798.96
Prepaid expenses	2,632.13	3,355.37
Contract acquisition costs	1,945.16	2,232.26
Others	81.78	29.91
Total	**34,550.75**	**32,055.63**

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Note 10: Inventories
(valued at lower of cost and net realizable value)* **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials and packing materials	5,137.03	9,614.19
Work-in-progress	9,419.40	21,388.28
Finished goods	72,147.63	75,146.29
Traded goods	-	4,418.61
Stores and spares	1,780.64	2,557.39
Total	**88,484.70**	**1,13,124.76**

* Refer note 19.2

Included above, goods-in-transit:		
Raw materials	-	3,209.63
Finished goods	-	38.62
Traded goods	-	921.18
Total	**-**	**4,169.43**

Note 11 : Trade receivables

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	67,705.18	42,280.05
Less: Allowance for expected credit loss	(702.81)	(2,334.33)
Net trade receivables	**67,002.37**	**39,945.72**

All trade receivables are 'current'.

Note 11.1: Bill discounting:
At the end of the reporting period, the carrying amount of the trade receivables that have been discounted (with recourse) but have not been derecognized amounted to ₹ 27,223.01 lacs (31 March 2022: ₹33,579.88 lacs) and associated liability has been disclosed as bill discounting (refer note 19).

Note 11.2 :Expected credit loss assessment for trade receivables as at 31 March 2023 and 31 March 2022 are as follows:
The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows -

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	2,334.33	2,340.06
Change in allowance for expected credit loss and credit impairment (net of reversals/utilisations)	(1,809.94)	(16.13)
Foreign exchange differences	178.42	10.40
Balance at end of the year	**(702.81)**	**(2,334.33)**

The Group's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in note 35.

Note 11.3: Trade receivables ageing schedule

As at 31 March 2023 **(₹ Lacs)**

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	Total
Undisputed Trade receivables - considered good	56,227.16	8,416.61	292.98	646.07	238.58	137.03	65,958.43
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	57.96	621.48	843.12	-	224.19	1,746.75
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**56,227.16**	**8,474.57**	**914.46**	**1,489.19**	**238.58**	**361.22**	**67,705.18**
Less: Allowance for expected credit loss							**(702.81)**
Net Trade receivables							**67,002.37**

As at 31 March 2022 (₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	Total
Undisputed Trade receivables - considered good	32,294.75	8,865.68	374.92	246.95	104.80	168.76	42,055.86
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	224.19	224.19
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**32,294.75**	**8,865.68**	**374.92**	**246.95**	**104.80**	**392.95**	**42,280.05**
Less: Allowance for expected credit loss							**(2,334.33)**
Net Trade receivables							**39,945.72**

Note 12A : Cash and cash equivalents

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents consist of		
Cash on hand	6.63	8.31
Balance with banks		
- in current accounts	5,868.41	9,149.65
- in deposit accounts (with original maturity period of less than three months)	-	2,391.00
Total	**5,875.04**	**11,548.96**

Note 12B : Other bank balances

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Other bank balances consist of		
Other bank balances (refer note 12.1)	75.57	84.75
In deposit account (with original maturity more than three months but less than twelve months)	4,853.61	5,098.32
Total	**4,929.18**	**5,183.07**

Note 12.1 : Other bank balances represent earmarked balances in respect of unpaid dividends.

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Note 13: Assets held for sale

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Buildings (refer note 13.1)	8,434.11	7,894.31
Total	**8,434.11**	**7,894.31**

Note 13.1: Represents buildings at a subsidiary which is closed as a part of restructuring. No impairment loss was recognised on reclassification of the building as held for sale as at 31 March 2023 as the Group expect that the fair value less costs to sell is higher than the carrying amount.

Note 14 : Equity share capital

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
13,40,00,000 equity shares (31 March 2022: 13,40,00,000 equity shares) of par value of ₹ 5 each	6,700.00	6,700.00
Issued		
9,84,96,160 equity shares (31 March 2022: 9,84,96,160 equity shares) of par value of ₹ 5 each	4,924.81	4,924.81
Subscribed and fully paid-up		
9,84,57,160 equity shares (31 March 2022: 9,84,57,160 equity shares) of par value of ₹ 5 each	4,922.86	4,922.86

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2023		31 March 2022	
	Number of shares	Amount (₹ lacs)	Number of shares	Amount (₹ lacs)
At the commencement of the year	9,84,57,160	4,922.86	9,84,57,160	4,922.86
At the end of the year	9,84,57,160	4,922.86	9,84,57,160	4,922.86

Details of the rights, preferences and restrictions attaching to each class of shares :
The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

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

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceeding the balance sheet date nor has issued shares for consideration other than cash.

Details of shareholders holding more than 5% of equity shares in the equity share capital of the Company

Particulars	31 March 2023		31 March 2022	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Dinesh Kumar Himatsingka	1,19,02,000	12.09%	1,19,02,000	12.09%
Shrikant Himatsingka	85,46,964	8.68%	85,46,964	8.68%
Bihar Mercantile Union Limited	62,68,234	6.37%	62,68,234	6.37%
Rajshree Himatsingka	58,97,260	5.99%	58,97,260	5.99%

Details of shareholding of promoters in the equity share capital of the Company

Promoters name	31 March 2023			31 March 2022		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dinesh Kumar Himatsingka	1,19,02,000	12.09%	0.00%	1,19,02,000	12.09%	0.00%
Shrikant Himatsingka	85,46,964	8.68%	0.00%	85,46,964	8.68%	0.00%
Bihar Mercantile Union Private Limited	62,68,234	6.37%	0.00%	62,68,234	6.37%	0.00%
Rajshree Himatsingka	58,97,260	5.99%	0.00%	58,97,260	5.99%	0.00%
Awdhan Trading Company Limited	41,28,736	4.19%	0.00%	41,28,736	4.19%	0.00%
Orient Silk Private Limited	34,34,768	3.49%	0.00%	34,34,768	3.49%	0.00%
Aditya Resources Limited	32,97,470	3.35%	0.00%	32,97,470	3.35%	0.00%
Priya Resources Private Limited	31,21,360	3.17%	0.00%	31,21,360	3.17%	0.00%
Priyadarshini Himatsingka	2,37,800	0.24%	0.00%	2,37,800	0.24%	0.00%

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Note 15 : Other Equity

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve (refer note 15.1)	687.62	687.62
Securities premium account (refer note 15.2)	27,675.71	27,675.71
General reserve (refer note 15.3)	17,270.17	17,270.17
Legal reserve (refer note 15.4)	9.90	9.01
Retained earnings (refer note 15.5)	81,981.93	88,882.19
Reserves and Surplus	**1,27,625.33**	**1,34,524.70**
Effective portion of cash flow hedge (refer note 15.6)	(394.46)	619.67
Foreign currency translation reserve	12,823.67	7,231.92
Remeasurement of net defined benefit liability or asset	(75.94)	(327.80)
Other comprehensive income	**12,353.27**	**7,523.79**
Total	**1,39,978.60**	**1,42,048.49**

Notes:

15.1 Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserves. The reserve is not available for distribution.

15.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

15.3 This represents appropriation of profit by the Company. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

15.4 Legal reserve represents the reserve as mandated by the Italian Civil Code. The same will be utilized for the purposes as permitted by the Italian Civil Code.

15.5 Retained earnings comprises of the Group's undistributed earnings after taxes. The amount can be distributed by the Company as dividends to its equity shareholders.

15.6 The Effective portion of cash flow hedge represents effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to the consolidated statement of profit and loss when the hedged items (sales of goods) affects profit or loss.

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Legal reserve		
Opening balance	9.01	9.18
Add/(Less): Foreign exchange difference	0.89	(0.17)
Total	**9.90**	**9.01**
Retained earnings		
Opening balance	88,882.19	75,292.85
Add: Profit for the year	(6,407.97)	14,081.63
Less: Payment of dividends*	(492.29)	(492.29)
Total	**81,981.93**	**88,882.19**

* During the year, the Company has proposed and declared final dividend of ₹ 0.50 per share for the financial year 21-22 (31 March 2022 : final dividend of ₹ 0.50 per share for the financial year 2020-21) in its annual general meeting of the shareholders.

Particulars	As at 31 March 2023	As at 31 March 2022
Effective portion of cash flow hedge		
Opening balance	619.67	489.71
Effective portion of gain / (loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges recognised in cash flow hedge reserve	(8,369.64)	2,292.05
Cumulative gain / (loss) reclassified to profit or loss	6,810.79	(2,092.29)
Income tax related to net gains / (losses) recognised in other comprehensive income	544.72	(69.80)
Total	**(394.46)**	**619.67**
Foreign currency translation reserve		
Opening balance	7,231.92	5,516.94
Other Comprehensive Income for the year, net of tax	5,591.75	1,714.98
Total	**12,823.67**	**7,231.92**
Remeasurement of net defined benefit liability or asset		
Opening balance	(327.80)	(342.84)
Other comprehensive income for the year, net of tax	251.86	15.04
Total	**(75.94)**	**(327.80)**

Note 16: Non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans: (refer note 16.1)		
Term loans		
From banks	49,753.91	67,228.37
From financial institutions	64,308.38	91,688.18
Non Convertible Debentures		
3,420, redeemable, non convertible debentures(NCD), of face value ₹ 10,00,000 each. (31 March 2022 : Nil)	33,636.05	-
Total	**1,47,698.34**	**1,58,916.55**

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Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2023		As at 31 March 2022		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
i) Term loans from bank (secured)						
Loan 1	-	-	13,320 23	1,825 64	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 structured quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date The loan was fully repaid during the year ended 31 March 2023
Loan 2	-	-	-	755 75	Exclusive charge on Companies property situated at Midford Garden, M G Road & Property situated at Vittal Mallya Road, owned by Company's Subsidiary Himatsingka Wovens Private Limited	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%) The loan was fully repaid during the year ended 31 March 2023
Loan 3	9,542 75	307 66	10,638 98	615 32	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 structured quarterly installments commencing from 31 December 2019 The outstanding term as of 31 March 2023 was 24 installments
Loan 4	-	-	10,692 74	651 60	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 structured quarterly installments commencing from 31 December 2019 The loan was fully repaid during the year ended 31 March 2023
Loan 5	-	-	12,663 34	772 00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 structured quarterly installments commencing from 31 December 2019 The loan was fully repaid during the year ended 31 March 2023
Loan 6	-	6,764 85	6,185 10	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%) The outstanding term as of 31 March 2023 was 1 installment
Loan 7	4,940 43	500 00	6,656 19	-	Subservient charge on all present and future moveable fixed assets	28 quarterly structured installments payable at the end of each quarter starting from 3 months from date of 1st disbursement The outstanding term as of 31 March 2023 was 11 installments
Loan 8	36 30	35 01	65 69	37 35	Secured by the asset owned by Himatsingka America Inc	a) USD 15 lacs is repayable in 39 monthly installments The loan is fully repaid during the year ended 31 March 2022 b) USD 0 55 lacs is repayable in 48 monthly installments The outstanding term as of 31 March 2023 was 4 installment c) USD 1 46 lacs is repayable in 48 monthly installments commencing from April 2021 The outstanding term as of 31 March 2023 was 24 installment
Loan 9	-	-	502 42	74 50	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 38 structured quarterly installments commencing from 30 September 2020 The loan was fully repaid during the year ended 31 March 2023
Loan 10	4,317 54	-	4,794 73	125 00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan shall be repaid in 28 quarterly installments commencing from post completion of moratorium period of 12 months The outstanding term as of 31 March 2023 was 23 installments
Loan 11	1,392 50	-	1,708 95	200 00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 24 quarterly installments commencing from post completion of initial moratorium period of 12 months The outstanding term as of 31 March 2023 was 19 installments
Loan 12	8,159 40	-			First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan amount of ₹ 6,000 lacs shall be repaid in 27 quarterly installments commencing from July 2022 The outstanding term as of 31 March 2023 was 20 installments. Loan amount of ₹ 4,000 lacs shall be repaid in 21 quarterly installments commencing from August 2023 The outstanding term as of 31 March 2023 was 17 installments
Loan 13	11,782 81	404 00			First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 30 quarterly installments commencing from September 2022 The outstanding term as of 31 March 2023 was 24 installments
Loan 14	9,582 18	326 00			First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 30 quarterly installments commencing from September 2022 The outstanding term as of 31 March 2023 was 24 installments
Total	**49,753.91**	**8,337.52**	**67,228.37**	**5,057.16**		

The rate of interest on the above term loans is in the range of 7.56% to 12.24% (31 March 2022: 4.03% to 10.83%)

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Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2023		As at 31 March 2022		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
ii) Term loan from financial institution (secured)						(₹ Lacs)
Loan 1	62.85	-	314.69	254.61	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of 31 March 2023 was 1 installment
Loan 2	339.99	-	700.46	363.20	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of 31 March 2023 was 4 installments
Loan 3	10,041.19	-	11,882.01	1,878.37	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of 31 March 2023 was 15 installments
Loan 4	21,082.95	-	24,500.35	2,904.72	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 structured quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date which ever is earlier. The outstanding term as of 31 March 2023 was 20 installments
Loan 5	-	-	5,612.88	328.88	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant including proposed project assets present and future	Loan shall be repaid in 40 structured quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The loan was fully repaid during the year ended 31 March 2023
Loan 6	4,667.22	3,123.22	7,158.62	2,877.35	First paripassu charge on the moveable and immoveable properties located at Hassan and Doddaballapur plant including proposed project assets present and future. Further corporate guarantee is provided by Himatsingka Seide Limited for this loan.	Loan shall be repaid in 20 structured quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The outstanding term as of 31 March 2023 was 10 installments
Loan 7	244.93	244.93	244.93	244.93	First ranking pledge on the investment made by the Company in Atria Wind Power Limited	Repayable in next 2 years
Loan 8	57.92	69.54	127.46	62.95	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured monthly installments commencing from November 2020 The outstanding term as of 31 March 2023 was 19 installments
Loan 9	77.76	69.98	147.74	63.35	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured monthly installments commencing from February 2021 The outstanding term as of 31 March 2023 was 22 installments
Loan 10	50.10	77.51	126.90	70.16	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured monthly installments commencing from September 2020 The outstanding term as of 31 March 2023 was 17 installments
Loan 11	81.42	39.43	120.86	30.30	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from April 2021. The outstanding term as of 31 March 2023 was 13 installments
Loan 12	86.36	35.37	121.73	31.05	Secured by the asset which is taken under this facility	Loan shall be repaid in 20 structured quarterly installments commencing from April 2021. The outstanding term as of 31 March 2023 was 12 installments
Loan 13	19.78	6.73	26.51	5.91	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from August 2021. The outstanding term as of 31 March 2023 was 14 installments
Loan 14	127.86	46.68	174.53	40.96	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from June 2021. The outstanding term as of 31 March 2023 was 13 installments
Loan 15	137.87	48.28	186.16	42.37	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from July 2021. The outstanding term as of 31 March 2023 was 14 installments

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Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2023		As at 31 March 2022		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 16	42.38	12.33	54.71	11.05	Secured by the asset which is taken under this facility	Loan shall be repaid in 60 structured monthly installments commencing from November 2021. The outstanding term as of 31 March 2023 was 43 installments
Loan 17	8,638.99	-	9,682.25	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank)	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2023 was 18 installments
Loan 18	-	-	3,881.98	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank)	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The loan was fully repaid during the year ended 31 March 2023.
Loan 19	5,185.71	-	5,812.40	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank)	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2023 was 18 installments
Loan 20	2,420.78	-	3,280.07	666.67	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2023 was 11 installments
Loan 21	3,589.84	-	4,377.96	400.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan Shall be repaid in 24 quarterly installments commencing from post completion of principle moratorium period of 12 months. The outstanding term as of 31 March 2023 was 18 installments
Loan 22	4,454.85	-	9,649.57	1,222.22	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2023 was 8 installments
Loan 23	2,897.63	615.40	3,503.41	461.54	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan shall be repaid in 26 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2023 was 23 installments
Total	**64,308.38**	**4,389.40**	**91,688.18**	**11,960.59**		

The rate of interest on the above term loans is in the range of 6.99% to 13.56% (31 March 2022: 3.79% to 13.56%)

iii) Non convertible debentures from financial institution (secured)

(₹ Lacs)

NCD 01	33,636.05	-	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	NCD shall be repaid in 16 equal semi - annual installments commencing after 3 years from the date of disbursement. The outstanding term as of 31 March 2023 was 16 installments
Total	**33,636.05**	-	-	-		

The rate of interest on the above non convertible debentures is 11.45 % (31 March 2022: Nil)

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Note 17 : Provisions

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for gratuity (refer note 17.1)	1,778.86	1,997.05
Total	**1,778.86**	**1,997.05**
Current		
Provision for compensated absences	652.17	965.08
Provision for gratuity (refer note 17.1)	419.61	483.20
Total	**1,071.78**	**1,448.28**

Note 17.1 : Employee benefits

The Group operates the following post-employment defined benefit plan.

Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. There is no maximum limit for the payment of gratuity benefit. The present value of obligation is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method.

The defined benefit plan expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(A) Funding

The Group's gratuity scheme for employees is administered through insurance fund. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Group expects to pay ₹ 419.61 lacs (31 March 2022 : ₹ 483.20 lacs) in contributions to its defined benefit plans in the next financial year.

The expected maturity analysis of undiscounted gratuity is as follows:

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
1 year	597.33	651.29
2 to 5 years	993.68	993.12
6 to 10 years	1,113.96	1,073.24
More than 10 years	1,014.98	1,044.98

(B) Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Obligation at the beginning of the year	2,648.34	2,427.04
Interest cost	142.91	116.42
Current service cost	230.37	272.69
Benefits paid	(255.20)	(145.09)
Actuarial (gains)/losses on obligations recognised in other comprehensive income		
- Changes in financial assumptions	(240.39)	(263.16)
- Experience adjustments	(149.83)	240.44
Obligation at the end of the year	**2,376.20**	**2,648.34**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	168.09	288.92
Interest income on plan assets	9.07	13.86
Contributions	258.85	10.00
Benefits paid	(255.20)	(145.09)
Return on plan assets, excluding interest income recognised in other comprehensive income	(3.08)	0.40
Plan assets at the end of the year, at fair value	**177.73**	**168.09**
Net defined benefit liability	**2,198.47**	**2,480.25**

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(C) (i) Expense recognised in the Statement of profit or loss

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	230.37	272.69
Interest cost	142.91	116.42
Expected return on plan assets	(9.07)	(13.86)
Net gratuity cost	**364.21**	**375.25**

(ii) Remeasurement recognised in other comprehensive income

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Actuarial loss on defined benefit obligation	(390.22)	(22.72)
Return on plan assets, excluding amount recognised in net interest expense	3.08	(0.40)
Total loss recognised in other comprehensive income	**(387.14)**	**(23.12)**

(D) Plan assets

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Insurance fund	177.73	168.09
Total	**177.73**	**168.09**

(E) Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate	7.15%	5.40%
Future salary growth	5.00%	5.00%
Mortality [IALM 2012-14]	100.00%	100.00%
Attrition rate	2% - 40%	2% - 40%
Weighted average duration of defined benefit obligation (in years)	5	5
Retirement age (in years)	58	58

Notes:

(i) The discount rate is based on the prevailing market yield on government bonds as at the balance sheet date for the estimated term of obligations.

(ii) 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.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

(₹ Lacs)

	As at 31 March 2023	As at 31 March 2022
Projected benefit obligation on current assumptions	2,376.20	2,648.34
Impact of change in discount rate by +1%	(120.49)	(144.15)
Impact of change in discount rate by -1%	133.17	160.55
Impact of change in salary growth rate by +1%	134.69	159.59
Impact of change in salary growth rate by -1%	(123.96)	(145.99)
Impact of change in attrition rate by +50%	(33.26)	(63.18)
Impact of change in attrition rate by -50%	40.77	105.72
Impact of change in mortality rate by +10%	0.55	0.15
Impact of change in mortality rate by -10%	(0.55)	(0.16)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

Defined contribution plans:

The Group's contribution to various defined contribution plans recognised in the statement of profit and loss under the head employee benefit expense are as follows:

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Provident fund	1,452.90	807.07
Employee state insurance	274.49	329.64
Superannuation fund	-	4.15
Total	**1,727.39**	**1,140.86**

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Note 18: Other Liabilities

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non current		
Deferred income arising from government grants (refer note 18.1)	24,788.67	26,603.05
Total	**24,788.67**	**26,603.05**
Current		
Deferred income arising from government grants (refer note 18.1)	1,915.07	1,915.07
Advances received from customers	224.78	559.39
Statutory liabilities	879.99	1,052.66
Security deposits received	86.93	86.93
Total	**3,106.77**	**3,614.05**

Note 18.1 : Deferred income arising from government grants

The Group has received government grants in the form of import duty exemption and subsidy on purchase of capital goods and purchase of raw materials, to be used for production of goods for exports, based on the terms of the respective schemes. The Group recognises such grants in consolidated statement of profit or loss on a systematic basis over the period in which the related expenses (the related costs for which the grants are intended to compensate) are incurred and charged to the income statement. The Group has presented such amortisation of deferred income as a deduction from the related expenses.

Note 19: Current borrowings

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured borrowings		
Loans repayable on demand		
From banks (refer note 19.1 and note 19.2)	81,846.96	71,027.14
Bill discounting (refer note 11.1)	27,223.01	33,579.88
Current maturities of non-current borrowing (refer note 16.1)	12,726.92	17,017.75
Total	**1,21,796.89**	**1,21,624.77**

Note 19.1 : The weighted average effective interest rate on the bank loans is 5.24 % per annum (4.09% as at 31 March 2022).

Note 19.2 : Working capital limits secured by pari passu charge by way of hypothecation of stock and book debts of the Group and in case of working capital loan from one bank, there is an additional security by way of first charge over fixed assets of the Company.

Note-19.3: The Company have filed the quarterly statement to the banks/financial institutions. For details refer note 38.

Information about the Group's exposure to interest rate, currency and liquidity risks are disclosed in note 35.

Note 20 : Trade payables

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 20.1)	8,122.27	10,015.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	73,329.39	60,810.40
Total	**81,451.66**	**70,825.61**

All trade payables are current.

The Group's exposure to currency and liquidity risk are disclosed in note 35.

Note 20.1 : Dues of micro enterprises and small enterprises

The disclosure pursuant to the Micro, small and medium enterprises development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31 March 2023 and 31 March 2022 is as under:

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal*	8,122.27	10,246.08
- Interest	376.74	175.21
The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprises Act,2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
- Principal	23,345.10	23,993.32
- Interest	174.68	77.16
The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	319.71	264.36
The amount of interest accrued and remaining unpaid at the end of year	696.46	439.57
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 MSMED Act 2006	696.46	439.57

* Includes principal amount of ₹ Nil (31 March 2022: ₹ 230.87 lacs) remaining unpaid to capital creditors.

The above disclosure has been made in the consolidated financial statements based on the information received and available with the Group.

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Note 20.2: Trade payables ageing schedule

As at 31 March 2023 (₹ Lacs)

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1 -2 year	2 -3 year	More than 3 years	Total
(i) MSME*	-	4,767.98	2,356.88	997.41	-	-	8,122.27
(ii) Others	3,758.27	43,846.90	16,625.25	7,859.71	326.58	912.68	73,329.39
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,758.27**	**48,614.88**	**18,982.13**	**8,857.12**	**326.58**	**912.68**	**81,451.66**

As at 31 March 2022 (₹ Lacs)

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1 -2 year	2 -3 year	More than 3 years	Total
(i) MSME*	-	5,214.38	4,763.34	30.82	6.67	-	10,015.21
(ii) Others	3,962.71	32,375.96	23,249.36	464.62	5.73	752.02	60,810.40
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,962.71**	**37,590.34**	**28,012.70**	**495.44**	**12.40**	**752.02**	**70,825.61**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Note 21 : Other financial liabilities

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Capital creditors (refer note 21.1)	1,634.96	1,048.02
Employee related liabilities	2,743.30	3,189.42
Interest accrued but not due on borrowings	2,362.43	1,781.75
Derivative liabilities - foreign exchange forward contracts	721.05	364.57
Unclaimed dividend (refer note 21.2)	75.57	84.75
Total	**7,537.31**	**6,468.51**

The Group's exposure to currency and liquidity risks are disclosed in note 35.

Note 21.1: Includes principal amount of ₹ Nil (31 March 2022: ₹ 230.87 lacs) related to micro enterprises and small enterprises.

Note 21.2: Unclaimed dividends when due shall be credited to Investor Protection and Education Fund. There is no amount due and outstanding as at Balance sheet date to be credited to the Investor Education and Protection Fund.

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Note 22 : Revenue from operations

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers - sale of goods (refer note 22.3 below)	2,46,828.63	2,88,137.62
Other operating revenue (refer note 22.1 below)	20,945.63	30,257.40
Total	**2,67,774.26**	**3,18,395.02**

Note 22.1 : Other operating revenue comprises:

Revenue from contracts with customers - sale of waste and scrap	3,351.81	5,890.75
Export incentives (refer note 22.2 below)	17,519.92	24,366.65
Royalty income	73.90	-
Total	**20,945.63**	**30,257.40**

Note 22.2: Pursuant to the approval granted by the Union Cabinet on 14 July 2021 for continuation of Rebate of State and Central Taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide notification dated 8 March 2019 on exports of Apparel /Garments and Made up, the Company during the previous year had recognised the benefit of RoSCTL of ₹ 3,532.00 lacs pertaining to eligible export sales for the period from 1 January 2021 to 31 March 2021 which had previously not been recognised as the rates were not notified as at 31 March 2021.

Note 22.3 : Disaggregated revenue information:

The Group derives its revenue primarily from sale of home textile products. Revenues from different geographic regions based on the location of the customers have been disclosed in note 32(a)

Note 22.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price (₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contracted price	2,55,087.89	3,06,997.87
Less: Rebates, discounts, chargebacks, markdowns, etc.	(4,907.45)	(12,969.50)
Revenue from contracts with customers - sale of goods and sale of waste and scrap	**2,50,180.44**	**2,94,028.37**

Note 23 : Other income

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Interest income		
Interest from bank deposits	317.82	218.64
Interest on electricity deposits	47.89	32.00
Interest income earned on financial assets that are not designated as at fair value through profit or loss	7.31	25.09
	373.02	**275.73**
b. Other than interest income		
Foreign exchange gain	5,085.53	1,381.90
Profit on sale of current investments	8.73	60.37
Profit on sale of property, plant and equipment (net)	1,895.80	-
Miscellaneous income	138.77	243.95
	7,128.83	**1,686.22**
Total	**7,501.85**	**1,961.95**

Note 24 : Cost of materials consumed, purchases of stock in trade and change in inventories

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cost of raw materials and packing materials consumed	**1,28,291.08**	**1,75,271.29**
B. Purchases of stock-in-trade	**6,533.54**	**19,417.91**
C. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
- Work in progress	21,388.28	15,475.89
- Finished goods	75,146.29	48,102.52
- Traded goods	4,418.61	7,098.88
	1,00,953.18	**70,677.29**
Closing stock :		
- Work in progress	9,419.40	21,388.28
- Finished goods	72,147.63	75,146.29
- Traded goods	-	4,418.61
	81,567.03	**1,00,953.18**
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**19,386.15**	**(30,275.89)**

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Note 25 : Employee benefits expense

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	23,592.13	26,826.57
Contribution to provident and other funds (refer note 17.1)	1,727.39	1,140.86
Gratuity expenses (refer note 17.1)	364.21	375.25
Expenses related to compensated absences	101.50	555.81
Workmen and staff welfare expenses	2,374.91	3,820.22
Total	**28,160.14**	**32,718.71**

Note 26 : Finance costs

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on :		
Financial liabilities at amortised cost		
Interest on term loans [net of subsidy ₹ 3,264.02 lacs (31 March 2022: ₹ 6,033.26 lacs)]	11,722.14	7,667.62
Interest on working capital loans	7,678.41	5,738.19
Interest on payment of income tax	-	270.00
Interest on MSMED vendors	696.46	439.57
Other borrowing costs	5,524.28	3,672.23
Exchange differences regarded as an adjustment to borrowing costs	101.87	329.47
Total	**25,723.16**	**18,117.08**

Note 27 : Depreciation and amortisation expense

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3.1)	14,852.33	14,586.65
Amortisation of intangible assets (refer note 3.3)	1,683.37	1,699.54
Depreciation on right-of-use of asset (refer note 31)	1,793.88	1,456.69
Less: Amortisation of deferred income on government grants (refer note 18.1)	(1,926.26)	(1,900.32)
Total	**16,403.32**	**15,842.56**

Note 28 : Other expenses

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	1,107.85	1,564.28
Power and fuel	23,103.97	26,250.79
Royalty	10,187.00	10,281.13
Contract labour charges	3,384.43	5,180.42
Freight outward, net of reimbursement	4,316.02	6,749.18
Advertisement and publicity	2,887.33	2,722.74
Rent (refer note 31)	1,359.11	823.65
Travelling and conveyance expenses	2,044.11	1,524.33
Professional and consultancy charges	1,585.73	1,801.13
Payments to auditors (refer note 28.1 below)	97.92	174.97
Sales promotion expenses	749.42	975.87
Repairs and maintenance :		
i. plant and machinery	345.67	453.84
ii. buildings	222.92	152.42
iii. others	439.72	433.59
Insurance	1,301.99	1,232.87
Job work charges	761.99	3,350.68
Product design and development charges	278.06	114.68
Water charges	578.15	935.29
Security charges	395.37	427.19
Communication expenses	833.87	524.80
Rates and taxes	250.80	610.64
Printing and stationery	67.83	68.51
Expenditure on corporate social responsibility (CSR) (refer note 28.2 below)	365.05	432.57
Commission on sales	90.16	62.59
Loss on sale of property, plant and equipment (net)	-	146.38
Loss allowance on financial assets (net)	256.61	52.51
Loss on current investments carried at fair value through profit or loss	-	40.46
Miscellaneous expenses	1,290.31	1,145.29
Total	**58,301.39**	**68,232.80**

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Note 28.1 : Payments to auditors

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
- Audit fee*	83.00	133.50
- Tax audit fee	1.50	3.00
In other capacity:		
- Other services (certification fees)	1.00	33.17
- Reimbursement of expenses	11.42	4.30
	96.92	**173.97**
Remuneration to other auditors for the subsidiaries		
For audit	1.00	1.00
Total	**97.92**	**174.97**

* includes fee for limited reviews

Note 28.2 : Corporate Social Responsibility

The Company has spent towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
i) Amount required to be spent by the Company during the year	360.00	432.05
ii) Amount of expenditure incurred on:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (i) above	123.72	162.57
(iii) Shortfall/(excess) at the end of the year*	241.33	270.00
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
(vi) Nature of CSR activities	Promoting health care including preventive health care, special education, rural development project and promoting education	
(vii) Details of related party transactions		
a) Contribution to Himatsingka Foundation in relation to CSR expenditure	241.33	401.09

*The Company has transferred the unspent amount in respect of ongoing projects to a special account in accordance of with the provisions of the Companies Act 2013.

Note 29 :Commitments

i) Capital Commitments

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	2,555.66	836.07

ii) Other commitments:

The Group has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme and Advance Authorisation to utilise the benefit of zero or concessional custom duty rate. The benefits are subject to future exports within the stipulated period. Such export obligation at year end aggregate to ₹ 5,482.82 lacs (31 March 2022 : ₹ 7,621.14 lacs).

Note 30 : Contingent Liabilities

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Claims against the Group not acknowledged as debt		
- Income tax matters (refer note 30.1 and 30.2.a)	211.40	131.28
- Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 30.1 and 30.2.b)	1,310.36	668.90
	1,521.76	**800.18**
(b) Guarantees outstanding		
- Financial institutions	18,081.80	16,658.40
- Others	5,424.54	4,997.52
	23,506.34	**21,655.92**
Total	**25,028.10**	**22,456.10**

Note 30.1 : The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows including interest and other consequential payments,if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. The Group doesn't expect any reimbursements in respect of the above contingent liabilities.

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Note 30.2 :

(a) Contingent liabilities under Income Tax Act 1961 of ₹ 211.40 lacs (31 March 2022 : ₹ 131.28 lacs) includes:

(i) Disputed demands of ₹ 30.50 lacs (31 March 2022 : ₹ 30.50 lacs) pertain to AY 2006-07 and AY 2008-09, being disallowance of corporate expenses, disallowance under Section 14A and disallowance of interest under section 36(1)(iii).

(ii) Disputed demands of ₹ 80.12 lacs (31 March 2022 : Nil) pertain to AY 2018-19 relates to withholding of taxes for payment made outside India for consultancy and marketing services.

(iii) Other disputed demands of ₹100.78 lacs (31 March 2022 : 100.78 lacs) pertain to AY 2009-10 and AY 2016-17 related to Transfer pricing adjustments on account of interest on loan, commission on guarantees provided to subsidiaries etc.

(b) Contingent liabilities under Custom, service tax and excise duties of ₹ 1,310.36 lacs (31 March 2022 : ₹ 668.90 lacs) include:

(i) Disputed demand of ₹ 668.90 lacs (31 March 2022 : ₹ 668.90 lacs) relating to transfer price adjustments on certain transactions with related parties.

(ii) Disputed demand of ₹ 641.46 lacs (31 March 2022 : Nil) on account of classification of imported Textile Sizing Chemical.

Note 31 : Leases

The Group has certain buildings on lease with contract terms of between 9 and 10 years. Set out below are the carrying amounts of right-of-use assets and the movements during the period:

I. Right-of-use assets:

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Buildings		
Balance as at the beginning of the year	10,096.06	11,326.81
Amortisation for the year	(1,793.88)	(1,456.69)
Foreign exchange	1,128.25	225.94
Balance as at the end of the year	**9,430.43**	**10,096.06**

The Group also has certain buildings on lease with contract terms of less than one year. These leases are classified as short-term. The Group has elected not to recognise Right-of-use assets and Lease liabilities for these leases.

II. Lease liabilities:

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening lease liabilities	11,628.23	12,664.60
Interest expense on lease liabilities	636.30	638.33
Payment of lease liabilities	(2,249.03)	(1,942.18)
Foreign exchange	1,092.47	267.48
Balance as at the end of the year	**11,107.97**	**11,628.23**
Current	1,277.66	1,489.57
Non-current	9,830.31	10,138.66

III. Amounts recognised in profit or loss

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on lease liabilities	636.30	638.33
Amortisation expense on right-of-use asset	(1,793.88)	(1,456.69)
Expenses relating to short-term leases (included in other expenses)	1,359.11	823.65

IV. Amounts recognised in statement of cash flows

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
The total cash outflow for leases including cash outflow of short-term leases and leases of low-value assets	3,608.14	2,765.83

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Note 32 : Segment Reporting

The Managing Director and Chief Executive Officer of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined in Ind AS 108, Operating Segments. The Group is structured into a single segment of Home Textiles value chain, and accordingly the CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by the Home Textiles and segment information has been presented accordingly.

The geographical information analyses the Group's revenue from external customer and non-current assets of its single reportable segment by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

a) Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised:

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
North America	2,12,292.82	2,48,733.23
India and Asia pacific	9,673.87	10,703.96
Europe, Middle East and Africa	23,546.29	26,734.17
Rest of the world	1,315.65	1,966.26
Total	**2,46,828.63**	**2,88,137.62**

Revenue generated from major customers

Revenue from two customers (31 March 2022 : three customers) individually contributing 10% or more of Group's revenue was 23.85% and 11.00% (31 March 2022 : 27.55% , 10.28% and 10.00%) of the total revenue respectively.

b) Non - current operating assets

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	2,37,901.01	2,50,219.48
Outside India	11,672.10	13,274.61
Total	**2,49,573.11**	**2,63,494.09**

Non - current assets for this purpose consists of all property, plant and equipment, capital work-in-progress and other intangible assets

Note 33 : Income taxes

Amount recognized in statement of profit and loss

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax:		
In respect of the current year	15.43	4,290.39
	15.43	**4,290.39**
Deferred tax:		
In respect of the current year	(1,130.13)	2,660.49
	(1,130.13)	**2,660.49**
Income tax expense reported in the statement of profit and loss	**(1,114.70)**	**6,950.88**

Income tax recognized in other comprehensive income

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Re-measurements gain on defined employee benefit plan	135.28	8.08
Effective portion of (loss)/gain on hedging instruments in cash flow hedges	(544.72)	69.80
Income tax charged to other comprehensive (loss)/ income	**(409.44)**	**77.88**

Reconciliation of effective tax rate

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit / (loss) before income tax	(7,522.67)	21,032.51
Enacted income tax rate in India	34.94%	34.94%
Tax using the Holding company's domestic tax rate	(2,628.72)	7,349.60
Effects of tax concessions and MAT entitlement	-	(141.39)
Effects of non - deductible expenses for tax purposes	264.80	321.68
Effects due to differential tax rates on capital gains	-	4.71
Other adjustments	404.32	(1,022.80)
Tax credit not recognised of losses of subsidiaries operating in other jurisdictions	844.90	439.08
Total income tax expense recognised in the statement of profit and loss	**(1,114.70)**	**6,950.88**

The Company has not elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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Note 33 : Income taxes (continued)

Deferred tax
Deferred tax relates to the following

(₹ Lacs)

Particulars	As at 1 April 2021	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	Foreign exchange differences	MAT utilisation	As at 31 March 2022	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	Foreign exchange differences	As at 31 March 2023
Deferred tax assets / (liabilities)										
Property, plant and equipments and intangible assets	(27,790.23)	(2,702.08)	-	-	-	(30,492.31)	(1,268.59)	-	-	(31,760.90)
Cash flow hedge	(262.82)	-	(69.80)	-	-	(332.62)	-	544.72	-	212.10
Provision for gratuity and compensated absences	1,205.95	4.19	(8.08)	-	-	1,202.06	(73.00)	(135.28)	-	993.78
Leases	161.79	-	-	-	-	161.79	-	-	-	161.79
MAT credit entitlement	18,977.11	(949.17)	-	-	(167.43)	17,860.51	-	-	-	17,860.51
Unrealised profits on inventory	613.52	(45.13)	-	-	-	568.39	-	-	-	568.39
Others - business losses, unabsorbed depreciation and other disallowances	1,971.43	1,031.70	-	(44.85)	-	2,958.28	2,471.72	-	43.36	5,473.36
Deferred tax assets / (liabilities)	**(5,123.25)**	**(2,660.49)**	**(77.88)**	**(44.85)**	**(167.43)**	**(8,073.90)**	**1,130.13**	**409.44**	**43.36**	**(6,490.97)**

Note 34 : Earnings / (loss) per share

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net profit / (loss) for the year attributable to equity shareholders	(6,407 97)	14,081 63

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Number of equity shares outstanding at the beginning of the year	9,84,57,160	9,84,57,160
Add: Weighted average number for equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	9,84,57,160	9,84,57,160

Earnings per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Basic (₹)	(6 51)	14 30
Diluted (₹)	(6 51)	14 30

Note 35: Financial instruments:

Note 35.1 : Categories of financial instruments:

Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy
The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard

(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2023	Level 1	Level 2	Level 3
Financial assets				
Measured at amortised cost:				
Cash and cash equivalents	5,875 04	-	-	-
Other bank balances	4,929 18	-	-	-
Trade receivables	67,002 37	-	-	-
Loans (current and non-current)	141 00	-	-	-
Other financial assets (current and non-current)	22,958 29	-	-	-
Measured at fair value in hedging relationship				
Derivative assets	114 09	-	114 09	-
Measured at FVTPL				
Investments (current and non-current)	988 19	-	-	988 19
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	2,69,495 23	-	-	-
Trade payables	81,451 66	-	-	-
Lease liabilities (current and non-current)	11,107 97	-	-	-
Other financial liabilities (current and non-current)	6,816 26	-	-	-
Measured at fair value in hedging relationship				
Derivative liabilities	721 05	-	721 05	-

(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2022	Level 1	Level 2	Level 3
Financial assets				
Measured at amortised cost:				
Cash and cash equivalents	11,548 96	-	-	-
Other bank balances	5,183 07	-	-	-
Trade receivables	39,945 72	-	-	-
Loans (current and non-current)	143 90	-	-	-
Other financial assets (current and non-current)	20,152 72	-	-	-
Measured at fair value in hedging relationship				
Derivative assets	1,382 97	-	1,382 97	-
Measured at FVTPL				
Investments (current and non-current)	1,331 03	344 96	-	986 07
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	2,80,541 32	-	-	-
Trade payables	70,825 61	-	-	-
Lease liabilities (current and non-current)	11,628 23	-	-	-
Other financial liabilities (current and non-current)	6,103 94	-	-	-
Measured at fair value in hedging relationship				
Derivative liabilities	364 57	-	364 57	-

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Fair value hierarchy

Level 1: Level I hierarchy includes financial instruments measured using quoted prices This includes investments in mutual funds that have quoted prices

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 This is the case for unquoted equity securities

Fair valuation method
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale The following methods and assumptions were used to estimate the fair values:

Financial assets:
The Group has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances and other financial assets because management believes that their carrying amounts are a reasonable approximation of their fair value

Current Investments : Fair value of unquoted mutual funds units is based on net asset value at the reporting date

Derivative assets / liabilities : Fair value is arrived from future cash flows based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties

Financial liabilities:
Borrowings It includes loans taken from banks and financial institution, cash credit and bill discounting facilities Borrowings are classified and subsequently measured in the financial statements at amortized cost Considering that the interest rate on loans is reset on a monthly / quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value

Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed almost equal to the carrying values

Note 35.2 : Financial risk management:
The Group's activities expose the Group to financial risks: credit risk, liquidity risk and market risk

Risk management framework
The Board of directors of the Holding Company has the overall responsibility for the establishment and oversight of the Group's risk management framework The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

The Audit Committee of the Holding Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group The Audit Committee is assisted in its oversight role by internal auditor Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee

i. Credit risk:
Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets Bank deposits includes an amount of ₹ 5,358.61 lacs (31 March 2022: ₹ 7,416.39 lacs) held with a bank having high quality credit rating which is individually in excess of 10% or more of the Group's total bank deposits for the year ended 31 March 2023 None of the other financial instruments of the Group result in material concentration of credit risk

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure The maximum exposure to credit risk was ₹ 1,01,013.34 lacs and ₹ 78,693.99 lacs as at 31 March 2023, and 31 March 2022, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets excluding cash in hand and equity investments

Geographic concentration of credit risk
Geographic concentration of trade receivables (gross and net of allowances) is as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Gross %	**Net %**	**Gross %**	**Net %**
North America	80%	83%	57%	60%
Europe, Middle east and Africa	8%	5%	25%	22%
India and Asia pacific	11%	11%	16%	16%
Rest of the world	1%	1%	2%	2%

Geographical concentration of trade receivables is allocated based on the location of the customers

ii. Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation The Group believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements

Management monitors rolling forecast of the Group's liquidity position and cash and bank balances on the basis of expected cash flows This is generally carried out by the Management in accordance with practice and limits set by the Group In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans

A) Financing arrangement
The Group maintains the following line of credit:
(a) Terms loans taken from bank aggregating to ₹ 58,091.42 lacs (31 March 2022 ₹ 72,285.52 lacs) repayable in various quarterly and yearly installments with interest rate ranging from 7.56% to 12.24% (31 March 2022 : 4.03% to 10.83%) per annum Term loans and non convertible debentures from financial institutions aggregating to ₹ 1,02,333.83 lacs (31 March 2022 ₹ 103,648.78 lacs) with interest rate ranging from 6.99% to 13.56% (31 March 2022 : 3.79% to 13.56%) per annum

(b) Working capital loans from banks carry an effective interest rate of 5.24% (31 March 2022: 4.09%) per annum, computed on a monthly basis on the actual amount utilized, and are repayable on demand Refer note 19.2 for details of security

(c) The Group has receivable bill discounting facility from banks which are payable within 120 days from date of bill discounted

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The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022 The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2023

(₹ Lacs)

Particulars		Contractual cash flows			
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Financial liabilities:					
Borrowings	2,69,495 23	3,44,199 97	1,37,431 87	1,53,522 00	53,246 10
Trade payables	81,451 66	81,451 66	81,451 66	-	-
Lease liabilities	11,107 97	13,732 37	1,833 06	6,761 50	5,137 81
Other financial liabilities	7,537 31	7,537 31	7,537 31	-	-

As at 31 March 2022

(₹ Lacs)

Particulars		Contractual cash flows			
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Financial liabilities:					
Borrowings	2,80,541 32	3,37,103 41	1,35,342 75	1,49,385 54	52,375 12
Trade payables	70,825 61	70,825 61	70,825 61	-	-
Lease liabilities	11,628 23	14,564 37	2,065 51	6,180 24	6,318 62
Other financial liabilities	6,468 51	6,468 51	6,468 51	-	-

As disclosed in note 16 1, the Group has secured loan from banks and financial institutions that contains loan covenants A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier

iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return

a) Foreign currency risk:

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group The functional currency of the Company is INR The currencies in which these transactions are primarily denominated are USD, GBP, EURO etc

Management monitors the movement in foreign currency and the Group's exposure in each of the foreign currency Based on the analysis and study of movement in foreign currency, the Group decides to exchange its foreign currency A significant portion of the Group's revenues are in foreign currencies, while a significant portion of its costs are in Indian rupees As a result, if the value of the Indian rupee appreciates relative to foreign currencies, the Company's revenues measured in Indian rupees may decrease The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future Consequently, the Group uses derivative and non-derivative financial instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates

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The following table gives details in respect of outstanding foreign exchange forward contracts in relation to sell contracts:

Particulars	As at 31 March 2023			As at 31 March 2022		
	in Foreign Currency in (Million)	₹ lacs	MTM (₹ lacs)	in Foreign Currency in (Million)	₹ lacs	MTM (₹ lacs)
In USD	42 21	34,244 41	(594 87)	230 29	1,78,974 63	1,033 98
Total		**34,244.41**	**(594.87)**		**1,78,974.63**	**1,033.98**

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Buy Contracts:

Particulars	As at 31 March 2023			As at 31 March 2022		
	in Foreign Currency in (Million)	₹ lacs	MTM (₹ lacs)	in Foreign Currency in (Million)	₹ lacs	MTM (₹ lacs)
IN EURO	-	-	-	0 76	663 33	(5 66)
In USD	4 54	3,769 62	(12 09)	5 37	4,131 95	(9 92)
Total		**3,769.62**	**(12.09)**		**4,795.28**	**(15.58)**

The foreign exchange forward contracts mature within 12 months. The table below analyses the derivative financial instruments sell contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 30 days	12,431 41	17,901 41
31 to 90 days	15,060 46	15,548 61
91 to 180 days	5,059 14	52,810 31
181 to 365 days	1,693 40	92,714 30
Total	**34,244.41**	**1,78,974.63**

The table below analyses the derivative financial instruments buy contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Less than 30 days	-	-
31 to 90 days	1,742 76	1,731 92
91 to 180 days	1,891 53	3,063 36
181 to 365 days	135 33	-
Total	**3,769.62**	**4,795.28**

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Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk (unhedged foreign currency exposure) as reported to management is as follows:

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in foreign currency in lacs	Amount in ₹ lacs	Amount in foreign currency in lacs	Amount in ₹ lacs
Cash and cash equivalents	USD	0.21	17.41	0.24	18.10
	EUR	1.60	143.21	0.24	19.99
	GBP	0.38	38.24	0.29	29.08
Trade receivables	USD	255.19	20,974.28	201.82	15,281.78
	EUR	9.66	865.66	9.92	838.02
	GBP	7.86	801.02	5.02	498.71
	AED	0.02	0.34	0.02	0.31
Other non current assets	USD	-	-	0.54	40.81
	EUR	-	-	0.01	0.88
Other current assets	USD	-	-	1.75	132.79
	EUR	0.28	24.86	0.37	31.32
	CHF	0.01	0.81	-	-
Borrowings	USD	82.31	6,764.85	91.66	6,940.85
Trade payables	USD	20.85	1,713.31	133.53	10,110.97
	EUR	0.46	40.91	8.15	688.39
	GBP	0.21	21.28	0.13	12.50
	CHF	0.44	39.34	0.02	1.65
	JPY	0.22	0.13	0.22	0.13
Other current liabilities	USD	1.43	117.55	26.91	2,037.32
	EUR	0.09	7.77	5.14	434.30
	GBP	0.05	4.59	0.00	0.33
Other financial liabilities	USD	4.01	329.29	0.80	60.60
	EUR	5.97	535.44	3.80	320.72

There were no forward contracts outstanding against the above mentioned foreign currency assets and liabilities as at 31 March 2023

The following significant exchange rates have been applied

Currency	Year end spot rate	
	31 March 2023	31 March 2022
USD/INR	82.19	75.72
EUR/INR	89.63	84.50
GBP/INR	101.90	99.26
AED/INR	22.38	20.61
CHF/INR	89.93	81.86
JPY/INR	0.62	0.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO, GBP, etc against ₹ at 31 March 2023 and 31 March 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below This analysis assumes that all other variables, in particular interest rates, remain constant

(₹ Lacs)

Particulars	Profit and loss (before tax)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (1% movement)	120 67	(120 67)	(78 50)	78 50
EURO (1% movement)	4 50	(4 50)	(2 93)	2 93
GBP (1% movement)	8 13	(8 13)	(5 29)	5 29
AED (1% movement)	0 00	(0 00)	(0 00)	0 00
CHF (1% movement)	(0 39)	0 39	0 25	(0 25)
JPY (1% movement)	(0 00)	0 00	0 00	(0 00)
31 March 2022				
USD (1% movement)	(36 76)	36 76	23 92	(23 92)
EURO (1% movement)	(5 53)	5 53	3 60	(3 60)
GBP (1% movement)	5 15	(5 15)	(3 35)	3 35
AED (1% movement)	0 00	(0 00)	(0 00)	0 00
CHF (1% movement)	(0 02)	0 02	0 01	(0 01)
JPY (1% movement)	(0 00)	0 00	0 00	(0 00)

Interest rate risk

Interest rate risk primarily arises from floating rate borrowings, including various revolving and other lines of credit The Group's investments are primarily in short-term investments, which do not expose it to significant interest rate risk The Group's borrowings comprises of term loans, working capital loans and bill discounting which carries variable rate of interest, which expose it to interest rate risk

(a) Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ Lacs)

Particulars	31 March 2023	31 March 2022
Borrowings (current and non current)	2,69,495 23	2,80,541 32
Total	**2,69,495.23**	**2,80,541.32**

(b) Sensitivity

(₹ Lacs)

Particulars	Profit and loss		Equity, net of tax	
	25 basis points Increase	25 basis points Decrease	25 basis points Increase	25 basis points Decrease
31 March 2023				
Borrowings (current and non current)	(687 55)	687 55	(447 29)	447 29
31 March 2022				
Borrowings (current and non current)	(658 99)	658 99	(428 71)	428 71

The Group has also evaluated the impact of the COVID-19 on the aforementioned risks i e credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same

Note 35.3: Capital management

The Group's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to uphold investor, creditor and market confidence and to sustain future development and growth of the business The Group monitors the return on capital as well as the level of dividends on its equity shares The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity' For the purpose of Group's capital management, adjusted net debt is defined as aggregate on non-current borrowing, current borrowing and current maturities of long-term borrowings and lease liabilities less cash and cash equivalents, deposits and current investments and total equity includes issued capital and all other equity reserves

The Group's adjusted net debt to equity ratio were as follows:

(₹ Lacs)

Particulars	31 March 2023	31 March 2022
Borrowings including lease liabilities (current and non-current)	2,80,603 20	2,92,169 55
Less: Cash and cash equivalents including deposits and current investments	(12,278 80)	(18,604 10)
Adjusted net debt	**2,68,324.40**	**2,73,565.45**
Total equity	1,44,901 46	1,46,971 35
Net debt to equity ratio	**1.85**	**1.86**

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Note 36 : Related party disclosures

Note 36.1 : Name of related parties and description of relationship

Description of relationship	Names of the related parties
Key management personnel	Dinesh Kumar Himatsingka - Executive Chairman Shrikant Himatsingka - Managing Director & CEO S Shanmuga Sundaram - Executive Director (w.e.f 15 December 2022) K P Rangaraj - Chief Financial Officer (upto 15 March 2023) Sridhar Muthukrishnan - Company Secretary **Non-executive directors** Harminder Sahni – Independent Director (w.e.f 14 November 2022) Sandhya Vasudevan – Independent Director (w.e.f 14 November 2022) Manish Joshi – Nominee Director (w.e.f 09 March 2023) Rajiv Khaitan - Independent Director Sangeeta Kulkarni - Independent Director (upto 30 August 2022) Pradeep Bhargava-Independent Director (upto 14 November 2022) Raja Venkataraman - Independent Director (upto 02 January 2023) V Vasudevan - Non-Executive Director (upto 15 December 2022)
Transactions with entities over which key management personnel or relatives of such personnel are able to exercise significant influence	Khaitan & Co LLP Jacaranda Design LLC Bihar Mercantile Union Private Limited Orient Silk Private Limited Aditya Resources Limited Priya Resources Private Limited Awdhan Trading Co Ltd Himatsingka Foundation
Transactions with relatives of key management personnel	Mrs. Rajshree Himatsingka (Wife of Dinesh Kumar Himatsingka) Ms. Priyadarshini Himatsingka (Daughter of Dinesh Kumar Himatsingka) Mrs. Akanksha Himatsingka (Wife of Shrikant Himatsingka)

List of subsidiaries (including step down subsidiaries)

The Group's subsidiaries are set out below. Unless otherwise stated, they have same capital consisting solely of equity shares that are held directly by the Group and the proportion of the ownership interest held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of subsidiaries	Subsidiary/ Step down subsidiary	Country of incorporation	Ownership interest held by the Group as at		Principal activities of each subsidiary
			31 March 2023	31 March 2022	
Himatsingka Wovens Private Limited	Subsidiary	India	100%	100%	Retailing of home furnishings*
Himatsingka Holdings North America, Inc.	Subsidiary	United States of America	100%	100%	Sale and distribution of home textiles
Twill & Oxford LLC (under liquidation)	Subsidiary	United Arab Emirates	49%	49%	Sale and distribution of home textiles
Himatsingka America, Inc.	Step down subsidiary	United States of America	100%	100%	Sale and distribution of home textiles

* During the financial year 2017-18 the Company has ceased its trading activity, and has started earning rental income by letting out its investment properties.

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Note 36.2 : Related party transactions during the year

(₹ Lacs)

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Professional fees	Jacaranda Design LLC	166.56	149.05
	Khaitan & Co LLP	33.08	23.23
	V Vasudevan	18.00	20.00
Sale of land	Dinesh Kumar Himatsingka	302.00	-
Contribution in relation to CSR Expenditure	Himatsingka Foundation	241.33	401.09

Note 36.3: Balance payable to related parties as at the balance sheet date:

(₹ Lacs)

Particulars		As at 31 March 2023	As at 31 March 2022
Other payables	Jacaranda Design LLC	209.33	161.29

Also refer note 16.1

Note 36.4 : Compensation and dividend payment to key management personnel*

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and compensation	538.83	736.26
Commission	55.00	300.00
Dividend paid	102.24	102.24
Sitting fees	37.00	29.50
Total	**733.07**	**1,168.00**

Note 36.5 Compensation and dividend payment to other related parties

i) Relatives of key management personnel (₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and compensation	149.06	148.92
Dividend paid	30.68	30.68
Total	**179.74**	**179.60**

ii) Entities over which key management personnel are able to exercise significant influence (₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Dividend paid		
Bihar Mercantile Union Private Limited	31.34	31.34
Orient Silk Private Limited	17.17	17.17
Aditya Resources Limited	16.49	16.49
Priya Resources Private Limited	15.61	15.61
Awdhan Trading Co Ltd	20.64	20.64
Total	**101.25**	**101.25**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions
All transactions with these related parties are made on normal commercial terms.

Note 37 : Transfer pricing
The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

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Notes to the consolidated financial statements for the year ended 31 March 2023

Note 38 : Quarterly statements

The Company have filed the quarterly returns or statements with the banks according to the sanctioned working capital facilities, which are in agreement with the books of accounts, other than those mentioned below:

(₹ Lacs)

Name of the Bank	Quarter Ended	Amount disclosed as per quarterly return/statement	Amount as per Books of accounts	Amount of difference	Reason for variance
Canara Bank, Indusland Bank Ltd., Axis Bank, Kotak Bank, DCB Bank Ltd., Yes Bank Ltd., Karur Vysya Bank Ltd., IDBI Bank Ltd., Bank of India, HDFC Bank Ltd., Bank of Maharashtra, Bank of Bahrain and Kuwait, Doha Bank, State Bank of India	31 December 2022 - Inventories	26,321.62	28,542.14	2,220.52	The differences are mainly because of the statements filed with the lenders are based on financial statements which are prepared on provisional basis.
	31 December 2022 - Trade receivables	1,04,564.36	1,18,112.92	13,548.56	
	31 December 2022 - Trade payables	51,195.23	57,942.48	6,747.25	

Note 39 : Other statutory information

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period, where applicable.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group have 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

(vi) The Group have 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 Group 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,

(vii) The Group did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year 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, where applicable.

(viii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Note 40 : Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2023 -

Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ lacs)	As % of consolidated profit or loss	Amount (₹ lacs)	As % of consolidated Comprehensive income	Amount (₹ lacs)	As % of consolidated total comprehensive income	Amount (₹ lacs)
Himatsingka Seide Limited	115%	1,66,729.07	47%	(3,019.52)	-16%	(762.27)	240%	(3,781.79)
Indian Subsidiaries								
Himatsingka Wovens Private Limited	2%	2,293.09	-1%	91.20	0%	-	-6%	91.20
Foreign Subsidiaries								
Himatsingka Holdings North America, Inc.	77%	1,12,286.63	0%	(3.30)	0%	-	0%	(3.30)
Himatsingka America, Inc.	29%	41,951.12	53%	(3,422.26)	0%	-	217%	(3,422.26)
Twill & Oxford LLC	0%	-	0%	-	0%	-	0%	-
		3,23,259.91		**(6,353.88)**		**(762.27)**		**(7,116.15)**
Consolidated adjustments	-123%	(1,78,358.45)	1%	(54.09)	116%	5,591.75	-351%	5,537.66
Total	**100%**	**1,44,901.46**	**100%**	**(6,407.97)**	**100%**	**4,829.48**	**100%**	**(1,578.49)**

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2022 -

Name of the Entity	Net assets, i.e., total assets minus		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ lacs)	As % of consolidated profit or loss	Amount (₹ lacs)	As % of consolidated Comprehensive income	Amount (₹ lacs)	As % of consolidated total comprehensive income	Amount (₹ lacs)
Himatsingka Seide Limited	116%	1,71,003.15	110%	15,432.57	8%	145.00	98%	15,577.57
Indian Subsidiaries								
Himatsingka Wovens Private Limited	1%	2,201.89	1%	71.31	0%	-	0%	71.31
Foreign Subsidiaries								
Himatsingka Holdings North America, Inc.	70%	1,03,450.47	-10%	(1,398.10)	0%	-	-9%	(1,398.10)
Himatsingka America, Inc.	29%	41,981.01	-56%	(7,925.44)	0%	-	-50%	(7,925.44)
Twill & Oxford LLC	0%	5.63	0%	(2.81)	0%	-	0%	(2.81)
		3,18,642.15		**6,177.53**		**145.00**		**6,322.53**
Consolidated adjustments	-117%	(1,71,670.80)	56%	7,904.10	92%	1,714.98	60%	9,619.08
Total	**100%**	**1,46,971.35**	**100%**	**14,081.63**	**100%**	**1,859.98**	**100%**	**15,941.61**

Note 41 : Events after the reporting period

On 28 February 2023, the Company entered into an agreement with International Financial Corporation ("IFC") for the issue of USD 125 lacs Foreign Currency Convertible Bond (FCCB), of which the Company has approved the allotment of 8,300 FCCBs of USD 1000 each, amounting to ₹ 6,773 lacs (approximately) on 27 April 2023.

Note 42 : The consolidated financial statements of the Group for the year ended 31 March 2022 were audited by B S R & Co. LLP, Chartered accountants, the predecessor auditor.

Note 43 : The comparative figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm's registration number: 105047W

Amit Kumar Jhunjhunwala
Partner
Membership number: 067183

Place: Bengaluru
Date : 30 May 2023

For and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Place: Bengaluru
Date : 30 May 2023

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

Sridhar Muthukrishnan
Company Secretary
Membership number:9606

Place: Bengaluru
Date : 30 May 2023

B S R & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor,
Off Intermediate Ring Road,
Bengaluru-560 071 India

Telephone +91 80 4682 3000
Fax +91 80 4682 3999

Independent Auditor's Report

To the Members of Himatsingka Seide Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Himatsingka Seide Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, including step subsidiary (Holding Company and its subsidiaries including step subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and 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 SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. 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.

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

Key audit matters (continued)

Description of Key Audit Matter

Revenue Recognition

See note 2.3 and 22 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods in the ordinary course is measured at the fair value of the consideration received or receivable when the goods are delivered and control has passed to the buyer. Revenue from sale of goods is recognized at the point in time when control is transferred to customer. We identified revenue recognition as a key audit matter because the Group and its external stakeholders focus on revenue as a key performance indicator. This could result in a risk of revenues being overstated or recognised before control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain audit evidence: 1. We evaluated the revenue recognition accounting policies by comparing it with the applicable accounting standards. 2. We tested the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on certain transactions selected on a sample basis. 3. We performed substantive testing for the revenue transactions using statistical sampling and tested the supporting documents. 4. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year-end date to determine that the period in which the revenue has been recognized is appropriate. 5. We tested specific manual journal entries posted to revenue to identify any unusual items.

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Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

Key audit matters (continued)

Impairment of Goodwill
See note 2.11, 2.12 and 4 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Goodwill is a significant item on the balance sheet and the Group performs impairment testing for goodwill annually. In performing such impairment assessments, the Group compared the carrying value of the identifiable cash generating units ("CGUs") to which goodwill had been allocated to their 'value in use'. The computation is based on discounted cash flow method, to determine any impairment loss. Due to inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability which require significant judgement of the Group and therefore considered as a key audit matter.	Our audit procedures on testing for goodwill impairment includes the following: 1. We tested the design and operating effectiveness of the relevant key controls of the processes and internal control relating to impairment of non-financial assets including goodwill. 2. We evaluated the Group's identification of CGU's, the carrying value of CGU and the methodology followed by the Group for impairment assessment in compliance with the prevailing accounting standards. 3. We evaluated the key assumptions used in computing recoverable amount of CGU, such as, growth rates, profitability, discount rates, etc, with reference to our understanding of the business and historical trends. 4. We together with the valuation specialists tested key assumptions used by the Group along with their external experts in computing fair value of the CGU, such as weighted average cost of capital, growth rates and profitability. 5. We performed sensitivity analysis on key assumptions used by the Group in computing fair value of the CGU, to identify impairment charge, if any and when identified an appropriate recognition of the same in the income statement. 6. We evaluated the disclosure in the financial statements and assessed the completeness and mathematical accuracy.

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Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

Key audit matters (continued)

Recognition for government grants and assessment of recoverability
See note 2.7 and 7 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group is eligible for government grants under various schemes issued by the State and the Central Government. Each of these schemes requires fulfilment of conditions by the Group to be eligible to receive the grant. The Group also assesses the recoverability of these grants at each balance sheet date. Recognition of grants (including its classification as capital or revenue grant) requires a suitable assurance by the Group towards compliance with the conditions specified in the relevant schemes and that the grants will be received. The assessment of fulfilment of relevant conditions specified in the grant at the time of recognition involves judgement and assumptions. Further, the Group needs to assess at each balance sheet date the recoverability of the grant. We have identified recognition of grant and its recoverability as a key audit matter because of the complexities in establishing the compliance with the eligibility conditions of the grant and judgement involved towards the assessment of its recoverability.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We evaluated the government grant accounting policies by comparing with the applicable accounting standards. 2. We tested the design of key controls and operating effectiveness of relevant key controls with respect to recognition of grant (including its classification as capital and revenue grant) and assessment of recoverability of government grants. 3. We performed substantive testing, on a sample basis, towards recognition of grants in accordance with the relevant schemes, its classification as revenue or capital grant and verified the supporting documents. 4. We evaluated the Group's assessment of recoverability of respective grants based on ageing analysis and obtained explanations from management to assess the adequacy of the level of provision, if any, required for amounts considered recoverable.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the consolidated financial statements and our Auditor's Report thereon. The other information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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.

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Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

Other Information (continued)

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are 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 state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company 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 is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with SAs, we exercise professional judgement 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.

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Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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.

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.

Other Matters

(a) The financial information of one subsidiary (incorporated outside India), whose financial information reflect total assets (before consolidation adjustments) of Rs. 8 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. Nil and net cash outflows (before consolidation adjustments) amounting to (Rs.0.08 lakhs) for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information 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 this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

Other Matters (continued)

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 the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, based on our audit and as noted in the "Other Matters" paragraph, 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

   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 flows 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 Ind AS 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 31 March 2022 taken on record by the Board of Directors of the Holding Company and our audit report on the statutory audit of a subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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 and based on the financial information certified by the Management of a subsidiary as noted in the "Other Matters" paragraph:

   a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer note 30 to the consolidated financial statements.

   b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

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Report on Other Legal and Regulatory Requirements (continued)

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its subsidiary company incorporated in India during the year ended 31 March 2022.

d) (i) The respective Managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in the note 38 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or its subsidiary company incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented to us , that, to the best of their knowledge and belief, as disclosed in note 38 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 42 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed the final dividend for the year ended 31 March 2022 which is subject to the approval of the 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. The subsidiary company incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. No remuneration has been paid to any director by the subsidiary company incorporated in India and hence the requirement of Section 197 of the Act is not applicable to the subsidiary company incorporated in India.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN:22223018AJXKJS1775

Place: Bengaluru
Date: 30 May 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of Himatsingka Seide Limited ('the Company') on the consolidated financial statements for the year ended 31 March 2022, we report that:

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020:

Name of the entities	CIN	Relationship	Clause number of the CARO report which is unfavourable
Himatsingka Seide Limited	L17112KA1985PLC006647	Holding company	Clause (ii)(b)

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN: 22223018AJXKJS1775

Place: Bengaluru
Date: 30 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of Himatsingka Seide Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Himatsingka Seide Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 were established and maintained and if such controls operated effectively in all material respects.

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Annexure B to the Independent Auditors' report on the consolidated financial statements of Himatsingka Seide Limited for the period ended 31 March 2022 (continued)

Auditors' Responsibility (continued)

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 the internal controls 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 controls 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.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN: 22223018AJXKJS1775

Place: Bengaluru
Date: 30 May 2022

(₹ Lacs)

Consolidated balance sheet	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	2,52,580.91	2,51,899.49
Capital work-in-progress	3.1	4,428.46	14,155.59
Goodwill	4	48,415.25	47,333.51
Intangible assets	3.3	6,484.72	7,875.49
Right-of-use assets	31	10,096.06	11,326.81
Financial assets			
(i) Investments	5A	21.55	21.95
(ii) Loans	6	56.07	56.35
(iii) Other financial assets	7	2,003.20	1,464.66
Deferred tax assets (net)	8B	1,649.58	1,649.58
Income tax assets (net)	8A	1,360.25	1,045.14
Other non-current assets	9	6,584.97	8,002.49
Total non-current assets		**3,33,681.02**	**3,44,831.06**
Current assets			
Inventories	10	1,13,124.76	79,547.82
Financial assets			
(i) Investments	5B	1,309.48	1,816.71
(ii) Trade receivables	11	39,945.72	33,150.60
(iii) Cash and cash equivalents	12A	11,548.96	6,719.34
(iv) Bank balances other than (iii) above	12B	5,183.07	5,902.38
(v) Loans	6	87.83	62.37
(vi) Other financial assets	7	19,532.49	15,775.11
Other current assets	9	32,055.63	14,909.21
Assets held for sale	13	7,894.31	8,043.91
Total current assets		**2,30,682.25**	**1,65,927.45**
Total Assets		**5,64,363.27**	**5,10,758.51**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	4,922.86	4,922.86
Other equity	15	1,42,048.49	1,26,599.34
Total equity		**1,46,971.35**	**1,31,522.20**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	1,58,916.55	1,37,397.90
(ii) Lease liabilities	31	10,138.66	11,309.59
(iii) Other financial liabilities	21	-	644.63
Provisions	17	1,997.05	1,946.20
Deferred tax liabilities (net)	8B	9,723.48	6,772.83
Other non-current liabilities	18	26,603.05	28,319.27
Total non-current liabilities		**2,07,378.79**	**1,86,390.42**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	1,21,624.77	1,09,252.70
(ii) Lease liabilities	31	1,489.57	1,355.01
(iii) Trade payables			
(a) Dues of micro and small enterprises	20	10,015.21	7,137.75
(b) Dues of creditors other than micro and small enterprises	20	60,810.40	53,821.40
(iv) Other financial liabilities	21	6,468.51	14,385.77
Other current liabilities	18	3,614.05	3,411.50
Provisions	17	1,448.28	1,026.07
Current tax liabilities (net)	8A	4,542.34	2,455.69
Total current liabilities		**2,10,013.13**	**1,92,845.89**
Total liabilities		**4,17,391.92**	**3,79,236.31**
Total equity and liabilities		**5,64,363.27**	**5,10,758.51**
Summary of significant accounting policies	2		

See accompanying notes to the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka

Umang Banka
Partner
Membership number: 223018

for and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

Himatsingka Seide Limited

K.P. Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Place: Bengaluru
Date : 30 May 2022

Himatsingka Seide Limited

(₹ Lacs)

Consolidated statement of profit and loss	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	22	3,18,395.02	2,25,831.66
Other income	23	1,961.95	1,421.06
Total income		**3,20,356.97**	**2,27,252.72**
Expenses			
Cost of raw materials and packing material consumed	24	1,75,271.29	76,619.86
Purchases of stock-in-trade	24	19,417.91	19,290.93
Changes in inventory of finished goods, work-in-progress and stock-in-trade	24	(30,275.89)	27,852.77
Employee benefits expense	25	32,718.71	25,933.47
Finance costs	26	18,117.08	17,719.97
Depreciation and amortisation expense	27	15,842.56	15,245.30
Other expenses	28	68,232.80	47,238.91
Total expenses		**2,99,324.46**	**2,29,901.21**
Profit / (Loss) before tax		**21,032.51**	**(2,648.49)**
Tax expense			
Current tax	33	4,290.39	1,515.67
Deferred tax	33	2,660.49	1,170.70
Total tax expense		**6,950.88**	**2,686.37**
Profit / (Loss) for the year		**14,081.63**	**(5,334.86)**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plan		23.12	(230.97)
Income tax effect on above		(8.08)	80.70
B. Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		1,714.98	(734.04)
Effective portion of gain on hedging instruments in cash flow hedge		199.76	3,432.15
Income tax effect on above		(69.80)	(1,199.33)
Other comprehensive income for the year, net of tax		**1,859.98**	**1,348.51**
Total comprehensive income / (loss) for the year		**15,941.61**	**(3,986.35)**
Earnings / (loss) per equity share (face value of ₹ 5 each)			
Basic and diluted (in ₹)	**34**	**14.30**	**(5.42)**
Summary of significant accounting policies	2		

See accompanying notes to the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

for and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

Himatsingka Seide Limited

K.P. Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Himatsingka Seide Limited

Consolidated statement of changes in equity for the year ended 31 March 2022

Particulars	**(₹ Lacs)**
A. Equity share capital	
Balance as at 1 April 2020	**4,922.86**
Changes in Equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the year	-
Balance as at 31 March 2021	**4,922.86**
Changes in Equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**4,922.86**

B. Other Equity

(₹ Lacs)

Particulars	**Reserves and surplus (Refer note 15)**						**Other comprehensive income (Refer Note 15)**			**Total Other Equity**
	Capital reserve on consolidation	**Capital reserve**	**Securities premium reserve**	**General reserve**	**Legal reserve**	**Retained earnings**	**Effective portion of cash flow hedge**	**Foreign currency translation reserve**	**Remeasurement of net defined benefit liability or asset**	
Balance as at 1 April 2020	66.74	620.88	27,675.71	17,270.17	9.11	81,120.00	(1,743.11)	6,250.98	(192.57)	1,31,077.91
Loss for the year	-	-	-	-	-	(5,334.86)	-	-	-	(5,334.86)
Other comprehensive (loss)/income for the year, net of tax	-	-	-	-	-	-	2,232.82	(734.04)	(150.27)	1,348.51
Payment of dividends	-	-	-	-	-	(492.29)	-	-	-	(492.29)
Foreign exchange differences	-	-	-	-	0.07	-	-	-	-	0.07
Balance as at 31 March 2021	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.18**	**75,292.85**	**489.71**	**5,516.94**	**(342.84)**	**1,26,599.34**
Balance as at 1 April 2021	66.74	620.88	27,675.71	17,270.17	9.18	75,292.85	489.71	5,516.94	(342.84)	1,26,599.34
Profit for the year	-	-	-	-	-	14,081.63	-	-	-	14,081.63
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	129.96	1,714.98	15.04	1,859.98
Payment of dividends	-	-	-	-	-	(492.29)	-		-	(492.29)
Foreign exchange differences	-	-	-	-	(0.17)	-	-		-	(0.17)
Balance as at 31 March 2022	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.01**	**88,882.19**	**619.67**	**7,231.92**	**(327.80)**	**1,42,048.49**

Summary of significant accounting policies (refer note 2)

See accompanying notes to the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

for and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P.Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Himatsingka Seide Limited

Consolidated statement of cash flows	Year ended 31 March 2022	Year ended 31 March 2021
		(₹ Lacs)
Cash flows from operating activities		
(Loss)/ Profit for the year	14,081.63	(5,334.86)
Adjustments for:		
Finance costs	18,117.08	17,719.97
Interest income	(275.73)	(948.15)
Net gain on sale of current investments	(60.37)	(49.66)
Loss/ (gain) on current investments carried at fair value through profit or loss	40.46	(74.25)
Net loss on disposal of property, plant and equipment	146.38	38.02
Loss allowance on financial assets (net)	35.64	107.55
Amortized value of employee loans and security deposits	24.36	64.72
Depreciation and amortisation expense	15,842.56	15,245.30
Income on derecognition of leases	-	(265.55)
Net unrealised foreign exchange loss on non operating activities	107.09	94.03
Income tax expense	6,950.88	2,686.37
Operating cash flows before working capital changes	**55,009.98**	**29,283.49**
Changes in operating assets and liabilities		
Increase in trade receivables	(6,234.16)	(21,281.33)
(Inccrease) / decrease in inventories	(31,819.64)	27,625.26
Increase in other assets	(16,652.56)	(452.62)
Increase in trade and other payables	7,938.97	25,279.73
Increase in provisions	496.18	431.50
Increase / (decrease) in other liabilities	234.51	(909.46)
Cash generated from operations	**8,973.28**	**59,976.57**
Income taxes paid (net)	(2,187.96)	(2,337.30)
Net cash generated from operating activities (A)	**6,785.32**	**57,639.27**
Cash flows from investing activities		
Proceeds of sale of current investments (net)	700.46	1,228.98
Interest received	284.59	1,093.82
Acquisition of property, plant and equipment and intangible assets	(14,758.28)	(12,779.84)
Investment in fixed deposits	(42,137.71)	(20,414.76)
Proceeds from fixed deposits maturity	42,285.79	29,318.88
Net cash used in investing activities (B)	**(13,625.15)**	**(1,552.92)**
Cash flows from financing activities		
Proceeds from / (repayment of) current borrowings, net	20,920.41	(19,406.70)
Proceeds from non current borrowings	50,774.11	-
Repayment of non current borrowings	(38,680.18)	(19,420.96)
Dividends paid on equity shares	(492.29)	(492.29)
Payment of lease liabilities	(1,942.18)	(1,610.91)
Proceeds from government subsidies	5,549.92	5,627.00
Interest paid	(23,997.12)	(19,096.53)
Net cash generated/ (used in) financing activities (C)	**12,132.67**	**(54,400.39)**
Net increase in cash and cash equivalents (A+B+C)	**5,292.84**	**1,685.96**
Cash and cash equivalents at the beginning of the year	**6,719.34**	**4,708.15**
Effects of exchange rate changes on cash and cash equivalents	(463.22)	325.23
Cash and cash equivalents at the end of the year	**11,548.96**	**6,719.34**
Components of cash and cash equivalents (refer note 12A)		
Cash and cash equivalents comprise of		
Cash in hand	8.31	6.39
Balance with banks		
- in current accounts	9,149.65	6,712.95
- in deposit accounts (with original maturity of period of less than three months)	2,391.00	-
Total	**11,548.96**	**6,719.34**

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Himatsingka Seide Limited

(₹ Lacs)

Consolidated statement of cash flows	Year ended 31 March 2022	Year ended 31 March 2021

Reconciliation between opening and closing balance sheet for financing activities

	Opening balance 1 April 2021	Cash flows	Non-cash movement	Closing balance 31 March 2022
Borrowings (including current maturities of non current borrowings)	1,63,071.09	12,093.93	769.28	1,75,934.30
Current borrowings (excluding current maturities of non current borrowings)	83,579.51	20,920.41	107.10	1,04,607.02
Interest accrued but not due	1,407.32	(23,997.12)	24,371.55	1,781.75
Total liabilities from financing activities	**2,48,057.92**	**9,017.22**	**25,247.93**	**2,82,323.07**

Reconciliation between opening and closing balance sheet for financing activities

	Opening balance 1 April 2020	Cash flows	Non-cash movement	Closing balance 31 March 2021
Borrowings (including current maturities of non current borrowings)	1,78,188.70	(19,420.96)	4,303.35	1,63,071.09
Current borrowings (excluding current maturities of non current borrowings)	1,03,254.65	(19,406.70)	(268.44)	83,579.51
Interest accrued but not due	1,871.78	(19,096.53)	18,632.07	1,407.32
Total liabilities from financing activities	**2,83,315.13**	**(57,924.19)**	**22,666.98**	**2,48,057.92**

The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS 7) statement of cash flows

See accompanying notes to the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka

Umang Banka
Partner
Membership number: 223018

for and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P. Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Himatsingka Seide Limited *

Place: Bengaluru
Date : 30 May 2022

Place: Bengaluru
Date : 30 May 2022

Himatsingka Seide Limited
Notes to the consolidated annual financial statements for the year ended 31 March 2022

Corporate Information

Himatsingka Seide Limited ("the Company") together with its subsidiaries (including step subsidiaries) collectively referred to as ("the Group") is incorporated and domiciled in India. The Company is a public limited company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange. The Group is primarily engaged in manufacturing sale and distribution of home textile products. The Group has two manufacturing facilities in India and has a retail and distribution businesses across North America, Europe and Asia.

The Group's consolidated Ind AS financial statements were approved by the Company's Board of Directors on 30 May 2022.

The registered office of the Company is 10/24, Kumara Krupa Road, High Grounds, Bengaluru – 560 001.

1. Statement of Compliance

These consolidated annual financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standard) Rules (as amended from time to time) and other relevant provisions of the Act.

1.1 Functional and presentation currency

These consolidated financial statements are presented in India Rupees (₹), which is also the Group's functional currency. All amounts have been presented in rupees in lakhs and rounded off upto two decimals.

1.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis of accounting except:

a. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations.
b. Certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The Group has consistently applied the following accounting policies to all the periods presented in the consolidated annual financial statements.

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Himatsingka Seide Limited

1.3 Use of estimate, assumption and judgement

The preparation of consolidated annual financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities the disclosure of contingent liabilities on the date of the consolidated annual financial statements and the reported amount of revenue and expenses for the year reported. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised, and future periods are affected.

Assumptions, judgements and estimation

Information about assumptions, judgements and estimations that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is summarized below:

- Note 4 - Valuation of goodwill
- Note 5, 6, 7, 11 and 35 - Impairment of financial assets including government incentives
- Note 8 and 33 - Recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 17 – Measurement of defined benefit obligation: key actuarial assumptions;
- Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Impact of COVID-19 (Global pandemic):
The Group has been taking steps, proactively, to protect the health of employees and the working environment from the spread of Covid-19. The Group's operations and revenue during year ended 31 March 2022 were marginally impacted due to the pandemic. The Group has assessed, and is continuously reviewing, its liquidity, future cash flow projections and the probability of occurrence of the forecasted transactions underlying the hedges based on orders in hand and current indicators of future economic conditions. The consolidated financial statements for the year ended 31 March 2022 takes into consideration such assessment of the possible effects of the Covid 19 and the recoverability of the carrying value of its assets. However. the impact of pandemic in the subsequent period may be different from the estimations used at the time of finalising these consolidated financial statements.

1.4 Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs are 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) ; and

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

BSR & Co. LLP

Himatsingka Seide Limited

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 35-financial instruments.

Note 2 : Significant accounting policies

2.1 Basis of consolidation

The Group consolidates all entities which are controlled by it. Subsidiaries are the entities controlled by the Group. The Consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries (including step subsidiaries) as disclosed in Note 41.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The financial statement of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date control ceases.

The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

2.2 Business Combination

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

2.3 Revenue Recognition

Sale of goods:

Revenue is recognised upon transfer of control of promised goods to customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group derives its revenue primarily from sale of products.

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Revenue from sale of products is recognised at the point in time when control is transferred to customer.

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term as reduction in revenue.

Scrap sales:
Scrap Sales Income from sale of the scrap is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract.

Contract balances:
Trade receivables

A trade receivable is recognised if the amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

2.4 Other income

Other income comprises interest income, and gain/ (losses) on disposal of financial assets and non-financial assets. It is recognised on accrual basis except where the receipt of income is uncertain.

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

2.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease component

The Group recognises a right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group applies the short term lease recognition exemption to all assets that have a lease term of 12 months or less from the commencement date. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Further, leases for which the underlying asset is of low value has been recognized immediately in the Statement of Profit and Loss.

2.6 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs allocated to and utilized for qualifying assets pertaining to the period from commencement of activities directly attributable to the acquisition, construction or production of upto the date of capitalisation of such asset are added to the cost of the assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use Borrowing cost also includes exchange differences to the extent regarded as an [illegible] e borr[illegible] other borrowing costs are expensed in the period in which they oc

2.7 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognized in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented as a deduction in reporting the related expense. The presentation approach is applied consistently to all similar grants. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to Statement of Profit and Loss over the periods and in proportions in which depreciation expense on those assets is recognized.

Income from export incentives are recognized in the statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of exports made and disclosed as other operating revenues.

Income from government incentives (other than export incentive) are recognized in the statement of profit and loss account when the right to receive credit as per the terms of the entitlement and disclosed as a reduction to the related expenses.

2.8 Employee benefits

a. Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Company's gratuity scheme is administered through a third party trust and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

b. Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the rel[illegible] service.

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Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term performance incentive, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in the statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Compensated absences

The employees of the Group are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit method as at the reporting date. Actuarial gains / losses are immediately taken to the consolidated statement of profit and loss. The Group presents the entire obligation for compensated absences as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months from the reporting date.

d. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Group's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

2.9 Taxation

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits [illegible] of the transaction.

- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the concerned Company will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

2.10 Property, plant and equipment

a. Recognition and measurement:

Items of property, plant and equipment except land held for use in the production, supply or administrative purposes, are measured at cost less accumulated depreciation (which includes capitalised borrowing costs, if any) and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing an asset to working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Assets in the course of construction are capitalised as capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of profit and loss.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under Capital work in progress.

b. Depreciation:

Depreciation is provided on a Straight Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognised in the Statement of profit and loss.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

The Group has estimated the useful lives for property, plant and equipment as follows:

Class of assets	**Years**
Buildings	10 – 60 years
Plant and machinery*	8 - 40 years
Furniture and fixtures	10 years
Office equipment	3-6 years
Books and catalogues*	4 years
Vehicles	6 -10 years
Leasehold improvements	shorter of the lease term and their useful lives

Land is not depreciated.

* The Management believes that the useful lives as given best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for some of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act.

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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / losses.

2.11 Goodwill and Other Intangible Assets

a) Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired ("net assets") exceeds the cost of business acquisition, the excess of net assets over cost of business acquisition is recognised immediately in capital reserve.

For measurement of goodwill that arises on a business combination (refer not measurement is at cost less any accumulated impairment losses.

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b) Other intangible assets

i. Recognition and measurement

Acquired intangible assets
Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Internally generated intangible assets
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the consolidated statement of profit and loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if it is probable that the future economic benefits that are attributable to the assets will flow to the Group.

ii. Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognized in profit and loss as and when incurred.

iii. Amortisation

The Group amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles (including internally generated intangible assets) are as follows:

Class of asset	Useful life
Computer software	4 - 10 years
Technical know-how	10 years
Brands and Licenses	3-10 years

The residual values, useful lives and method of amortisation of intangible assets are reviewed at each financial year end and adjusted if appropriate.

iv. Derecognition of intangible assets

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of profit and loss.

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2.12 Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets/ CGU are considered to be impaired, the impairment to be recognised in the Statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/ CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.13 Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

The method of determination of cost is as follows:

- Raw materials – on a weighted average cost basis
- Stores and spares – on a weighted average cost basis
- Work-in-progress – includes costs of conversion
- Finished goods – includes costs of conversion
- Traded goods – at purchase cost
- Goods in transit – at purchase cost

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The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.14 Foreign Currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.15 Provisions and contingent liabilities

Provisions

A provision is recognised if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent liabilities are disclosed by way of note to the consolidated Ind AS financial statements.

2.16 Financial Instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

b. Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified and measured at
- amortised cost;
- fair value through other comprehensive income (FVOCI) - debt investment;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period there are changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantlv reduces an accounting mismatch that would otherwise arise.

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Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in the Statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of profit and loss. Any gain or loss on derecognition is recognised in the Statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the Statement of profit and loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an asset is transferred, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

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ii. Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities at fair value through profit or loss include and financial liabilities designated upon initial recognition as at fair value through profit or loss and financial liabilities held for trading. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the statement of profit and loss.

The Group designates their derivatives as hedge instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk managem[illegible] strategy for undertaking the hedge. The Group also documents the economic relatio[illegible] hedged item and the hedging instrument, including whether the changes in cash flows [illegible] and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the statement of profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

2.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Group for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

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2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/loss before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.21 Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

2.22 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the am[illegible]y significant impact in its financial statements.

Note 3.1 : Property plant and equipment

Tangible Assets

(₹ Lacs)

Particulars	Land (refer note 3.1.3)	Buildings	Plant and Equipment	Furniture and Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Books & Catalogues	Total	Capital Work in Progress
Cost:										
Balance as at 1 April 2020	28,484.23	68,255.66	2,04,242.38	13,067.20	3,254.80	7,074.60	185.27	544.01	3,25,108.14	17,267.01
Additions	-	3,054.30	18,727.17	39.19	-	118.48	-	-	21,939.14	16,685.30
Disposals	-	-	(116.03)	(1.37)	-	(17.47)	-	-	(134.87)	-
Transfers	-	-	-	-	-	-	-	-	-	(19,795.65)
Translation adjustments	-	125.77	114.74	149.78	76.92	123.24	0.10	-	590.55	(1.07)
Balance as at 31 March 2021	**28,484.23**	**71,435.73**	**2,22,968.26**	**13,254.80**	**3,331.72**	**7,298.85**	**185.37**	**544.01**	**3,47,502.96**	**14,155.59**
Balance as at 1 April 2021	28,484.23	71,435.73	2,22,968.26	13,254.80	3,331.72	7,298.85	185.37	544.01	3,47,502.96	14,155.59
Additions	416.11	215.13	14,365.72	45.31	-	165.72	-	-	15,207.99	5,579.24
Disposals	-	(178.02)	(330.30)	(329.57)	-	(70.24)	-	-	(908.13)	-
Transfers									-	(15,306.37)
Translation adjustments	-	-	53.35	249.96	81.64	37.79	(0.03)	-	422.71	
Balance as at 31 March 2022	**28,900.34**	**71,472.84**	**2,37,057.03**	**13,220.50**	**3,413.36**	**7,432.12**	**185.34**	**544.01**	**3,62,225.53**	**4,428.46**
Balance as at 1 April 2020	-	(6,009.72)	(61,798.78)	(6,487.32)	(2,116.49)	(5,751.43)	(112.38)	(292.60)	(82,568.72)	-
Depreciation charge for the year	-	(2,653.98)	(8,830.34)	(1,352.45)	(201.61)	(615.52)	(9.81)	(97.41)	(13,761.12)	-
Disposals	-	-	76.54	1.27	-	17.08	-	-	94.89	-
Translation adjustments	-	112.53	(22.66)	293.98	135.21	112.43	(0.01)	-	631.48	-
Balance as at 31 March 2021	-	**(8,551.17)**	**(70,575.24)**	**(7,544.52)**	**(2,182.89)**	**(6,237.44)**	**(122.20)**	**(390.01)**	**(95,603.47)**	-
Balance as at 1 April 2021	-	(8,551.17)	(70,575.24)	(7,544.52)	(2,182.89)	(6,237.44)	(122.20)	(390.01)	(95,603.47)	-
Depreciation charge for the year		(2,627.09)	(10,493.87)	(1,149.52)	(159.60)	(54.56)	(4.60)	(97.41)	(14,586.65)	-
Disposals		178.02	181.04	329.57		70.20			758.83	-
Translation adjustments		-	10.39	(159.87)	(39.19)	(24.69)	0.03	-	(213.33)	-
Balance as at 31 March 2022	-	**(11,000.24)**	**(80,877.68)**	**(8,524.34)**	**(2,381.68)**	**(6,246.49)**	**(126.77)**	**(487.42)**	**(1,09,644.62)**	-
Net carrying amount:										
As at 31 March 2022	**28,900.34**	**60,472.60**	**1,56,179.35**	**4,696.16**	**1,031.68**	**1,185.63**	**58.57**	**56.59**	**2,52,580.91**	**4,428.46**
As at 31 March 2021	**28,484.23**	**62,884.55**	**1,52,393.02**	**5,710.28**	**1,148.83**	**1,061.41**	**63.17**	**154.00**	**2,51,899.49**	**14,155.59**

Note 3.1.1 :

Security

Refer note 16.1 for information on property, plant and equipment pledged as security by the Company.

Note 3.1.2 :

Translation adjustments include exchange fluctuation arising on account of conversion of fixed assets from foreign currency to reporting currency.

Note 3.1.3

The Company has entered into lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement amounting to ₹ 6,585.19 lacs.

Note 3.1.4

The above assets other than to the extent mentioned in note 3.1.3 above are owned by the Company.

Note 3.2 : Capital work-in-progress

a) Capital work-in-progress ageing :

(₹ Lacs)

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,638.65	544.43	1,124.32	121.06	4,428.46
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2022	**2,638.65**	**544.43**	**1,124.32**	**121.06**	**4,428.46**
Projects in progress	12,398.38	1,568.73	60.72	127.76	14,155.59
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2021	**12,398.38**	**1,568.73**	**60.72**	**127.76**	**14,155.59**

There are no projects where the completion is overdue or cost has exceeded when compared to its original plan

Note 3.3 : Other intangible assets

(₹ Lacs)

Particulars	Computer Software	Technical Know-How	Brands & Licenses	Total
Cost:				
Balance as at 1 April 2020	**8,339.75**	**347.99**	**33,617.55**	**42,305.29**
Additions	117.17	-	39.60	156.77
Disposals	-	-	-	-
Translation adjustments	(374.56)	-	(860.11)	(1,234.67)
Balance as at 31 March 2021	**8,082.36**	**347.99**	**32,797.04**	**41,227.39**
Balance as at 1 April 2021	**8,082.36**	**347.99**	**32,797.04**	**41,227.39**
Additions	98.38	-	-	98.38
Disposals	(229.40)	-	-	(229.40)
Translation adjustments	102.17	-	175.99	278.16
Balance as at 31 March 2022	**8,053.51**	**347.99**	**32,973.03**	**41,374.53**
Accumulated amortisation:				
Balance as at 1 April 2020	**(3,179.05)**	**(97.26)**	**(27,927.01)**	**(31,203.32)**
Amortisation	(426.55)	(32.42)	(1,313.96)	(1,772.93)
Disposals	-	-	-	-
Translation adjustments	(70.19)	-	(305.46)	(375.65)
Balance as at 31 March 2021	**(3,675.79)**	**(129.68)**	**(29,546.43)**	**(33,351.90)**
Balance as at 1 April 2021	**(3,675.79)**	**(129.68)**	**(29,546.43)**	**(33,351.90)**
Amortisation	(356.33)	(32.42)	(1,310.79)	(1,699.54)
Disposals	229.40	-	-	229.40
Translation adjustments	(39.15)	-	(28.62)	(67.77)
Balance as at 31 March 2022	**(3,841.87)**	**(162.10)**	**(30,885.84)**	**(34,889.81)**
Net carrying amount:				
Carrying value as at 31 March 2022	**4,211.64**	**185.89**	**2,087.19**	**6,484.72**
Carrying value as at 31 March 2021	**4,406.57**	**218.31**	**3,250.61**	**7,875.49**

Note 3.3.1 :
Translation adjustments include exchange fluctuation arising on account of conversion of fixed assets from foreign currency to reporting currency.

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Note 4 : Goodwill

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	47,333.51	48,195.40
Effect of foreign currency exchange differences	1,081.74	(861.89)
Balance at end of year	**48,415.25**	**47,333.51**

i) Impairment tests for goodwill

Goodwill acquired through business combination pertains to the Home Textile Segment of its subsidiary in USA.

Particulars	As at 31 March 2022	As at 31 March 2021
Home Textile Segment	48,415.25	47,333.51

(ii) Significant estimate: Key assumptions used for value-in-use calculations

The group tests impairment of goodwill on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations on a discounted cash flow method which require the use of assumptions. Management prepare forecast for a period of seven years and applies perpetuity growth rate of 3% from 7th year onwards. The calculations use cash flow projections calculated using the estimated growth and pre-tax discount rates stated below.

The following table sets out the key assumptions for the CGU that have significant goodwill allocated to them:

Assumptions	As at 31 March 2022	As at 31 March 2021
Sales Growth (% annual growth rate)	4% - 9%	4%-7%
EBITDA (%)	4% - 7%	5% - 7%
Pre-tax discount rate (%)	9.63%	9.57%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used for determining values
Sales Growth	Average annual growth rate over the forecasted period; based on past performance and management's expectations for the future
EBITDA (%)	Based on past performance and management's expectations for the future.
Pre-tax discount rate (%)	Reflect specific risks relating to the relevant segment and the country in which it operates.

Note 5 : Investments

Particulars	As at 31 March 2022	As at 31 March 2021
Note 5A : Non-current investments		
Unquoted		
Investments carried at fair value through profit and loss		
Investments in equity instruments	21.55	21.95
Total	**21.55**	**21.95**

Note 5A.1: Details of investments

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in equity instruments		
Industria e Universita S.r.l. (No. of shares : 13,005,000) (As at 31 March 2021: 13,005,000)	21.55	21.95
Applied DNA Sciences, Inc. (No. of shares: 5,34,361) (As at 31 March 2021: 5,34,361)	664.21	664.21
	685.76	686.16
Less: Provision towards impairment of investments	(664.21)	(664.21)
Total	**21.55**	**21.95**
Aggregate value of unquoted investments	21.55	21.95
Aggregate amount of impairment in value of investments	664.21	664.21

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Note 5B: Current investments

Particulars	As at 31 March 2022	As at 31 March 2021
5B.1 Investments in mutual funds (Quoted)		
DSP Short term fund - direct plan growth plan (No. of units: Nil (As at 31 March 2021: 7,14,343.53))	-	277.49
Axis Treasury Advantage Fund direct growth (No. of units: Nil (As at 31 March 2021: 16,904.74))	-	419.67
IDFC Corporate bond fund - direct plan growth plan (No. of units: 21,50,611.31 (As at 31 March 2021: 21,50,611.31))	344.96	328.35
Total (A)	**344.96**	**1,025.51**
Aggregate carrying amount of quoted investments	344.96	1,025.51
Aggregate market value of quoted investments	344.96	1,025.51

Particulars	As at 31 March 2022	As at 31 March 2021
5B.2 Investments in equity instruments (unquoted)		
Atria Wind Power (Chitradurga) Private Limited Equity shares of INR 251 each fully paid up [No. of shares: 2,41,637 (As at 31 March 2021 : 2,76,317)]	606.51	693.55
Atria Wind Power (Basavana Bagewadi) Private Limited Equity shares of INR 193.28 each fully paid up [No. of shares: 1,85,226 (As at 31 March 2021 : 50,521)]	358.01	97.65
Total (B)	**964.52**	**791.20**
Total (A+B)	**1,309.48**	**1,816.71**

Note 6 : Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Loans to employees	56.07	56.35
Total	**56.07**	**56.35**
Current		
Unsecured, considered good		
Loans to employees	87.83	62.37
Total	**87.83**	**62.37**

Note 7 : Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Fixed deposits with banks with maturity period more than twelve months*	562.59	6.52
Electricity deposits	806.39	806.39
Other deposit	634.22	651.75
Total	**2,003.20**	**1,464.66**
Current		
Unsecured, considered good		
Interest subsidy receivable	3,126.30	1,978.85
Subsidy receivable under various government schemes	14,444.89	12,245.74
Derivative asset (refer Note 35.2 (iii) (a))	1,382.97	920.80
Interest receivable	263.35	297.29
Security deposit	282.25	267.32
Other receivable	32.73	65.11
Total	**19,532.49**	**15,775.11**

* Includes restricted deposits of ₹ 556.07 lacs placed as a lien.

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Note 8 : Tax assets and liabilities

Note 8(A) : Income tax assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current income tax assets		
Advance tax and taxes deducted at source	22,535.25	20,622.53
Less: Provisions related to the above	(21,175.00)	(19,577.39)
Income tax assets (net)	**1,360.25**	**1,045.14**
Current tax liabilities		
Income tax provisions	17,073.98	14,729.05
Less: Advance tax and taxes deducted at source related to above	(12,531.64)	(12,273.36)
Current tax liabilities (net)	**4,542.34**	**2,455.69**

Note 8(B) : Deferred tax asset /liability*

The following is the analysis of the net deferred tax asset/liability position as presented in the financial statements

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
Property, plant and equipments and intangible assets	30,492.31	27,790.23
Cash flow hedge	332.62	262.82
Total deferred tax liabilities (A)	**30,824.93**	**28,053.05**
Deferred tax assets		
Provision for gratuity and compensated absences	1,202.06	1,205.95
Leases	161.79	161.79
Minimum alternate tax credit entitlement	17,860.51	18,977.11
Others	3,526.67	2,584.95
Total deferred tax assets (B)	**22,751.03**	**22,929.80**
Net deferred tax liability (A - B)	**8,073.90**	**5,123.25**

*refer note 33

Deferred tax presentation in balance sheet comprises of:		
Deferred tax liabilities, (net) (C)	9,723.48	6,772.83
Deferred tax assets, (net) (D)	1,649.58	1,649.58
Net deferred tax liability (C - D)	**8,073.90**	**5,123.25**

Note 9 : Other assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances	1,271.65	536.52
Contract acquisition costs	5,253.76	7,411.97
Others	59.56	54.00
Total	**6,584.97**	**8,002.49**
Current		
Advances to suppliers	1,142.50	1,128.08
Balances with government authorities (other than income taxes)	6,496.63	6,385.31
Subsidy receivable under various government schemes	18,798.96	2,546.79
Prepaid expenses	3,355.37	2,189.77
Contract acquisition costs	2,232.26	2,648.56
Others	29.91	10.70
Total	**32,055.63**	**14,909.21**

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Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022
Note 10: Inventories (valued at lower of cost and net realizable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and packing materials	9,614.19	4,915.77
Work-in-progress	21,388.28	15,475.89
Finished goods*	75,146.29	48,102.52
Traded goods	4,418.61	7,098.88
Stores and spares	2,557.39	3,954.76
Total	**1,13,124.76**	**79,547.82**
Included above, goods-in-transit:		
Raw materials	3,209.63	1,197.67
Finished goods	38.62	-
Traded goods	921.18	3,629.44
Total	**4,169.43**	**4,827.11**

* Net of provision for obsolensce and net realisable value aggregating to ₹ 43,97.66 lacs (31 March 2021: ₹ 3,518.39 lacs)

Note 11 : Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	42,280.05	35,490.66
Less: Expected credit loss	(2,334.33)	(2,340.06)
Net Trade receivables	**39,945.72**	**33,150.60**

All trade receivables are 'current'.
The Group's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in note 35.

Note 11.1: Bill discounting:
At the end of the reporting period, the carrying amount of the trade receivables that have been discounted (with recourse) but have not been derecognized amounted to ₹ 33,579.88 lacs (31 March 2021: ₹35,228.12 lacs) and associated liability has been disclosed as bill discounting (refer note 19).

Note 11.2 :Expected credit loss assessment for trade recievables as at 31 March 2022 and 31 March 2021 are as follows:
The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows -

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	2,340.06	(2,161.89)
Change in allowance for expected credit loss and credit impairment (net of reversals)	(16.13)	(107.55)
Foreign exchange differences	10.40	(70.62)
Balance at end of the year	**(2,334.33)**	**(2,340.06)**

Note 11.3: Trade receivables ageing schedule

As at 31 March 2022 (₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	Total
Undisputed trade receivables - considered good	32,294.75	8,865.68	374.92	246.95	104.80	168.76	42,055.86
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	224.19	224.19
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**32,294.75**	**8,865.68**	**374.92**	**246.95**	**104.80**	**392.95**	**42,280.05**
Less: Allowance for expected credit loss							(2,334.33)
Net Trade receivables							**39,945.72**

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As at March 2021 (₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	Total
Undisputed trade receivables - considered good	30,782.94	3,646.17	449.13	193.06	138.29	56.88	35,266.47
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	224.19	224.19
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**30,782.94**	**3,646.17**	**449.13**	**193.06**	**138.29**	**281.07**	**35,490.66**
Less: Allowance for expected credit loss							(2,340.06)
Net trade receivables							**33,150.60**

Note 12A : Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents consists of		
Cash on hand	8.31	6.39
Balance with banks		
- in current accounts	9,149.65	6,712.95
- in deposit accounts (with original maturity period of less than three months)	2,391.00	-
Total	**11,548.96**	**6,719.34**

Note 12B : Other bank balances

Particulars	As at 31 March 2022	As at 31 March 2021
Other bank balances consists of		
Other bank balances (refer note 12.1)	84.75	99.81
In deposit account (with original maturity more than three months but less than twelve months)	5,098.32	5,802.57
Total	**5,183.07**	**5,902.38**

Note 12.1 : Other bank balances represent earmarked balances in respect of unpaid dividends.

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Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022
Note 13: Assets classified as held for sale

Particulars	As at 31 March 2022	As at 31 March 2021
Buildings (refer note 13.1)	7,894.31	8,043.91
Total	**7,894.31**	**8,043.91**

Note 13.1: Represents buildings at a subsidiary which is closed as a part of restructuring. No impairment loss was recognised on reclassification of the building as held for sale as at 31 March 2022 as the Group expects that the fair value less costs to sell is higher than the carrying amount.

Note 14 : Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
13,40,00,000 equity shares (31 March 2021: 13,40,00,000 equity shares) of par value of ₹ 5 each	6,700.00	6,700.00
Issued		
9,84,96,160 equity shares (31 March 2021: 9,84,96,160 equity shares) of par value of ₹ 5 each	4,924.81	4,924.81
Subscribed and fully paid-up		
9,84,57,160 equity shares (31 March 2021: 9,84,57,160 equity shares) of par value of ₹ 5 each	4,922.86	4,922.86

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2022		31 March 2021	
	Number of shares	Amount (₹ lacs)	Number of shares	Amount (₹ lacs)
At the commencement of the year	9,84,57,160	4,922.86	9,84,57,160	4,922.86
At the end of the year	9,84,57,160	4,922.86	9,84,57,160	4,922.86

Details of the rights, preferences and restrictions attaching to each class of shares :
The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

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

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceeding the balance sheet date nor has issued shares for consideration other than cash.

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

Particulars	31 March 2022		31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Dinesh Kumar Himatsingka	1,19,02,000	12.09%	1,19,02,000	12.09%
Shrikant Himatsingka	85,46,964	8.68%	85,46,964	8.68%
Bihar Mercantile Union Limited	62,68,234	6.37%	62,68,234	6.37%
Rajshree Himatsingka	58,97,260	5.99%	58,97,260	5.99%
Templeton India Equity Income Fund	-	-	74,55,121	7.47%

Details of shareholding of Promoters in the Company

Promoters name	31 March 2022			31 March 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dinesh Kumar Himatsingka	1,19,02,000	12.09%	0.00%	1,19,02,000	12.09%	-0.07%
Shrikant Himatsingka	85,46,964	8.68%	0.00%	85,46,964	8.68%	0.07%
Bihar Mercantile Union Private Limited	62,68,234	6.37%	0.00%	62,68,234	6.37%	-1.68%
Rajshree Himatsingka	58,97,260	5.99%	0.00%	58,97,260	5.99%	0.00%
Awdhan Trading Company Limited	41,28,736	4.19%	0.00%	41,28,736	4.19%	0.36%
Orient Silk Private Limited	34,34,768	3.49%	0.00%	34,34,768	3.49%	0.72%
Aditya Resources Limited	32,97,470	3.35%	0.00%	32,97,470	3.35%	0.31%
Priya Resources Private Limited	31,21,360	3.17%	0.00%	31,21,360	3.17%	0.30%
Priyadarshini Himatsingka	2,37,800	0.24%	0.00%	2,37,800	0.24%	0.00%

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Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022
Note 15 : Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Capital reserve (refer note 15.1)	687.62	687.62
Securities premium account (refer note 15.2)	27,675.71	27,675.71
General reserve (refer note 15.3)	17,270.17	17,270.17
Legal reserve (refer note 15.4)	9.01	9.18
Retained earnings (refer note 15.5)	88,882.19	75,292.85
Reserves and Surplus	**1,34,524.70**	**1,20,935.53**
Effective portion of cash flow hedge (refer note 15.6)	619.67	489.71
Foreign currency translation reserve	7,231.92	5,516.94
Remeasurement of net defined benefit liability or asset	(327.80)	(342.84)
Other comprehensive income	**7,523.79**	**5,663.81**
Total	**1,42,048.49**	**1,26,599.34**

Notes:

15.1 Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserves. The reserve is not available for distribution.

15.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve can be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

15.3 This represents appropriation of profit by the Company. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

15.4 Legal reserve represents the reserve as mandated by the Italian Civil Code. The same will be utilized for the purposes as permitted by the Italian Civil Code.

15.5 Retained earnings comprises of the Company's undistributed earnings after taxes. The amount can be distributed by the Company as dividends to its equity shareholders.

15.6 The Effective portion of cash flow hedge represents effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of profit and loss when the hedged items (Sales of goods) affects profit or loss.

Particulars	As at 31 March 2022	As at 31 March 2021
Legal reserve		
Opening balance	9.18	9.11
Add/(Less): Foreign exchange difference	(0.17)	0.07
Total	**9.01**	**9.18**
Retained earnings		
Opening balance	75,292.85	81,120.00
Add: Profit for the year	14,081.63	(5,334.86)
Less: Payment of dividends (refer note 42)	(492.29)	(492.29)
Total	**88,882.19**	**75,292.85**
Effective portion of cash flow hedge		
Opening balance	489.71	(1,743.11)
Effective portion of gain arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges recognised in Hedging Reserve	2,292.05	3,831.89
Cumulative (gain)/loss reclassified to profit or loss	(2,092.29)	(399.74)
Income tax related to net gains recognised in other comprehensive income	(69.80)	(1,199.33)
Total	**619.67**	**489.71**
Foreign currency translation reserve		
Opening balance	5,516.94	6,250.98
Other comprehensive income/(loss) for the year, net of tax	1,714.98	(734.04)
Total	**7,231.92**	**5,516.94**
Remeasurement of net defined benefit liability or asset		
Opening balance	(342.84)	(192.57)
Other comprehensive income/(loss) for the year, net of tax	15.04	(150.27)
Total	**(327.80)**	**(342.84)**

Note 16: Non-current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans: (refer note 16.1)		
Term loans		
From banks	67,228.37	77,779.01
From financial institutions	91,688.18	59,618.89
Total	**1,58,916.55**	**1,37,397.90**

Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
i) Term loans from bank(Secured)						
Loan 1	-		-	3,549.85	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	20 equal quarterly installments commencing on 31 December 2016. The loan was fully repaid during the year ended 31 March 2022
Loan 2	13,320.23	1,825.64	15,104.94	1,217.09	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date. The outstanding term as of 31 March 2022 was 28 installments
Loan 3	-	755.75	3,795.60	3,345.50	Exclusive charge on properties owned by the Company and its subsidiary Himatsingka Wovens Private Limited	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%). The outstanding term as of 31 March 2022 was 1 installment
Loan 4	10,638.98	615.32	11,262.18	615.32	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2022 was 31 installments
Loan 5	10,692.74	651.60	11,352.17	651.60	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2022 was 31 installments
Loan 6	12,663.34	772.00	13,444.61	772.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2022 was 31 installments
Loan 7	-	-	2,761.95	2,000.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant including proposed project assets present and future	Loan shall be repaid in 16 quarterly installments commencing from 31 March 2019. The loan was fully repaid during the year ended 31 March 2022
Loan 8	6,185.10	-	11,246.06	3,789.67	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%). The outstanding term as of 31 March 2022 was 1 installment
Loan 9	6,656.19	-	8,117.98	1,000.00	Subservient charge on all present and future moveable fixed assets	28 quarterly installments payable at the end of each quarter starting from 3 months from date of 1st disbursement. The outstanding term as of 31 March 2022 was 14 installments
Loan 10	65.69	37.34	97.97	104.83	Secured by the assets purchased by Himatsingka America Inc through respective borrowing proceeds	a) USD 1.5 Mio is repayable in 39 monthly installments. The loan is fully repaid during the year ended 31 March 2022. b) USD 55K is repayable in 48 monthly installments. The outstanding term as of 31 March 2022 was 16 installment. c) USD 1.46 Mio is repayable in 48 monthly installmets commencing from April 2021. The outstanding term as of 31 March 2022 was 36 installment
Loan 11	502.42	74.50	595.55	217.81	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 38 quarterly installments commencing from 30 September 2020. The outstanding term as of 31 March 2022 was 31 installments
Loan 12	4,794.73	125.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan shall be repaid in 28 quaterly installments commencing from post completion of moratorium period of 12 months. The outstanding term as of 31 March 2022 was 28 installments
Loan 13	1,708.95	200.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 24 quaterly installments commencing from post completion of initial moratorium period of 12 months. The outstanding term as of 31 March 2022 was 24 installments
Total	**67,228.37**	**5,057.15**	**77,779.01**	**17,263.67**		

The rate of interest on the above term loans is in the range of 4.03% to 10.83% (Previous Year: 3.71% to 11.26%)

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Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
ii) Term loan from financial institution (Secured)						
Loan 1	314.69	254.61	566.93	254.61	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of 31 March 2022 was 9 installments
Loan 2	700.46	363.20	1,057.20	363.20	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of 31 March 2022 was 12 installments
Loan 3	11,882.01	1,878.37	13,734.92	1,643.57	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of 31 March 2022 was 23 installments.
Loan 4	24,500.35	2,904.72	27,364.89	2,323.78	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan shall be repaid in 39 quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date which ever is earlier. The outstanding term as of 31 March 2022 was 28 installments.
Loan 5	5,612.88	328.88	6,505.37	375.43	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant including proposed project assets present and future	Loan shall be repaid in 40 quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The outstanding term as of 31 March 2022 was 28 installments
Loan 6	7,158.62	2,877.36	9,722.87	2,794.05	First paripassu charge on the moveable and immoveable properties located at Hassan and Doddaballapur plant including porposed project assets present and future. Further corporate guarantee is provided by Himatsingka Seide Limited for this loan.	Loan shall be repaid in 20 quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The outstanding term as of 31 March 2022 was 14 installments
Loan 7	244.92	244.93	68.15	477.04	First ranking pledge on the investment made by the Company in Atria Wind Power Limited	Repayable in next 2 years
Loan 8	127.46	62.95	190.41	56.98	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 monthly installments commencing from November 2020. The outstanding term as of 31 March 2022 was 31 installments
Loan 9	147.74	63.35	211.10	57.35	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 monthly installments commencing from February 2021. The outstanding term as of 31 March 2022 was 34 installments
Loan 10	126.90	70.16	197.05	63.51	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 monthly installments commencing from September 2020. The outstanding term as of 31 March 2022 was 29 installments
Loan 11	120.86	30.30	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from April 2021. The outstanding term as of 31 March 2022 was 18 installments
Loan 12	121.73	31.05	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 20 quarterly installments commencing from April 2021. The outstanding term as of 31 March 2022 was 16 installments
Loan 13	26.51	5.91	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from August 2021. The outstanding term as of 31 March 2022 was 18 installments

Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 14	174 53	40 96	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from June 2021 The outstanding term as of 31 March 2022 was 17 installments
Loan 15	186 16	42 37	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from July 2021 The outstanding term as of 31 March 2022 was 17 installments
Loan 16	54 71	11 05	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 60 Monthly installments commencing from November 2021 The outstanding term as of 31 March 2022 was 55 installments
Loan 17	9,682 25	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M G Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank)	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement The outstanding term as of 31 March 2022 was 21 installments
Loan 18	3,881 98	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M G Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank)	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement The outstanding term as of 31 March 2022 was 21 installments
Loan 19	5,812 40	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M G Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank)	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement The outstanding term as of 31 March 2022 was 21 installments
Loan 20	3,280 07	666 67	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan shall be repaid in 18 quarterly installments commencing after 6 months from the date of disbursement The outstanding term as of 31 March 2022 was 18 installments
Loan 21	4,377 96	400 00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future	Loan Shall be repaid in 24 quaterly installments commencing from post completion of principle moratorium period of 12 months The outstanding term as of 31 March 2022 was 24 installments
Loan 22	9,649 57	1,222 22	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan shall be repaid in 18 quarterly installments commencing after 6 months from the date of disbursement The outstanding term as of 31 March 2022 was 18 installments
Loan 23	3,503 42	461 54	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant	Loan shall be repaid in 26 quarterly installments commencing after 6 months from the date of disbursement The outstanding term as of 31 March 2022 was 26 installments
Total	**91,688.18**	**11,960.60**	**59,618.89**	**8,409.52**		

The rate of interest on the above term loans is in the range of 3 79% to 13 56% (Previous year 4 22% to 10%)

Note 17 : Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for gratuity (refer note 17.1)	1,997.05	1,946.20
Total	**1,997.05**	**1,946.20**
Current		
Provision for compensated absences	965.08	834.15
Provision for gratuity (refer note 17.1)	483.20	191.92
Total	**1,448.28**	**1,026.07**

Note 17.1 : Employee benefits

The Group operates the following post-employment defined benefit plan.

Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. There is no maximum limit for the payment of gratuity benefit. The present value of obligation is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(A) Funding

The Group's gratuity scheme for employees is administered through third party trust. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Group expects to pay ₹ 483.20 lacs in contributions to its defined benefit plans in financial year 2022-23.

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
1 year	651.29	480.84
2 to 5 years	993.12	824.80
6 to 10 years	1,073.24	966.85
More than 10 years	1,044.98	1,203.97

(B) Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Obligation at the beginning of the year	2,427.04	2,026.30
Interest cost	116.42	110.35
Current service cost	272.69	182.22
Benefits paid	(145.09)	(132.62)
Actuarial (gains)/losses on obligations recognised in other comprehensive income		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(263.16)	329.30
- Experience adjustments	240.44	(88.51)
Obligation at the end of the year	**2,648.34**	**2,427.04**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	288.92	348.89
Interest income on plan assets	13.86	19.00
Contributions	10.00	43.82
Benefits paid	(145.09)	(132.62)
Return on plan assets, excluding interest income recognised in other comprehensive income	0.40	9.83
Plan assets at the end of the year, at fair value	**168.09**	**288.92**
Net defined benefit liability	**2,480.25**	**2,138.12**

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(C) (i) Expense recognised in the statement of profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	272.69	182.22
Interest cost	116.42	110.35
Expected return on plan assets	(13.86)	(19.00)
Net gratuity cost	**375.25**	**273.57**

(ii) Remeasurement recognised in other comprehensive income

Particulars	As at 31 March 2022	As at 31 March 2021
Actuarial loss on defined benefit obligation	(22.72)	240.80
Return on plan assets, excluding amount recognised in net interest expense	(0.40)	(9.83)
Total loss recognised in other comprehensive income	**(23.12)**	**230.97**

(D) Plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Insurance fund	168.09	288.92
Total	**168.09**	**288.92**

(E) Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	5.40%	4.80%
Future salary growth	5.00%	6.00%
Mortality [IALM 2012-14]	100.00%	100.00%
Attrition rate	2% - 40%	2% - 40%
Weighted average duration of defined benefit obligation (in years)	5	6
Retirement age (in years)	58	58

Notes:

(i) The discount rate is based on the prevailing market yield on government bonds as at the balance sheet date for the estimated term of obligations.

(ii) 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.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

	As at 31 March 2022	As at 31 March 2021
Projected benefit obligation on current assumptions	2,648.34	2,427.04
Impact of change in discount rate by +1%	2,504.19	2,274.90
Impact of change in discount rate by -1%	2,808.89	2,598.37
Impact of change in salary growth rate by +1%	2,807.93	2,594.63
Impact of change in salary growth rate by -1%	2,502.35	2,275.18
Impact of change in attrition rate by +50%	2,585.16	2,353.48
Impact of change in attrition rate by -50%	2,754.06	2,550.56
Impact of change in mortality rate by +10%	2,648.49	2,426.65
Impact of change in mortality rate by -10%	2,648.18	2,427.43

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

Defined contribution plans:

The Group's contribution to various defined contribution plans recognised in the statement of profit and loss under the head employee benefit expense are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Provident fund	806.95	648.56
Employee state insurance	329.64	213.24
Superannuation fund	4.15	12.65
Total	**1,140.74**	**874.45**

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Note 18: Other Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current		
Deferred income arising from government grant (refer note 18.1)	26,603.05	28,319.27
Total	**26,603.05**	**28,319.27**
Current		
Deferred income arising from government grant (refer note 18.1)	1,915.07	1,860.37
Advances received from customers	559.39	599.97
Statutory liabilities	1,052.66	906.47
Others	86.93	44.69
Total	**3,614.05**	**3,411.50**

Note 18.1 : Deferred income arising from government grant

The Group has received government grants in the form of import duty exemption and subsidy on purchase of capital goods, based on the terms of the respective schemes. The Group recognises such grants in statement of Profit or Loss on a systematic basis over the period in which the related expenses (the related costs for which the grants are intended to compensate) are incurred and charged to the income statement. The Group has presented such amortisation of deferred income as a deduction from the related expenses.

Note 19: Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured borrowings		
Loans repayable on demand		
From banks (refer note 19.1 and note 19.2)	71,027.14	48,351.39
Bill discounting	33,579.88	35,228.12
Current maturities of non-current borrowing (refer note 16.1)	17,017.75	25,673.19
Total	**1,21,624.77**	**1,09,252.70**

Note 19.1 : The weighted average effective interest rate on the bank loans is 4.09 % per annum (4.61% as at 31 March 2021).
Note 19.2 : Working capital limits are secured against present and future stock and trade receivables on pari-passu basis.

Information about the Group's exposure to interest rate, currency and liquidity risk are disclosed in note 35.

Note 20 : Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro and small enterprises (refer note 20.1)	10,015.21	7,137.75
Total outstanding dues of creditors other than micro and small enterprises	60,810.40	53,821.40
Total	**70,825.61**	**60,959.15**

All trade payables are current.
The Group's exposure to currency and liquidity risk are disclosed in note 35.

Note 20.1 : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal*	10,246.08	7,774.65
- Interest	175.21	100.92
The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprises Act,2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
- Principal	23,993.32	9,384.53
- Interest	77.16	303.97
The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	264.36	196.57
The amount of interest accrued and remaining unpaid at the end of year	439.57	297.49

* Includes principal amount of ₹ 230.87 lacs(31 March 2021: ₹ 636.90 lacs) remaining unpaid to capital creditors.

Note 20.2: Trade Payables ageing schedule

As at 31 March 2022 (₹ Lacs)

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1 -2 year	2 -3 year	More than 3 years	Total
(i) MSME*	-	5,214.38	4,763.34	30.82	6.68	-	10,015.22
(ii) Others	3,962.71	32,375.96	23,249.35	464.62	5.73	752.02	60,810.39
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,962.71**	**37,590.34**	**28,012.69**	**495.44**	**12.41**	**752.02**	**70,825.61**

As at March 2021 (₹ Lacs)

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1 -2 year	2 -3 year	More than 3 years	Total
(i) MSME*	-	4,206.18	2,905.19	20.98	5.40	-	7,137.75
(ii) Others	3,564.90	37,225.64	11,658.16	687.25	5.14	680.31	53,821.40
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,564.90**	**41,431.82**	**14,563.35**	**708.23**	**10.54**	**680.31**	**60,959.15**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Note 21 : Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital creditors (refer note 21.1)	-	644.63
Total	**-**	**644.63**
Current		
Capital creditors (refer note 21.1)	1,048.02	9,600.00
Employee related liabilities	3,189.85	3,110.00
Interest accrued but not due on borrowings	1,781.75	1,407.32
Derivative liability (refer Note 35.2 (iii) (a))	364.57	168.68
Unclaimed dividend (refer note 21.2)	84.32	99.77
Total	**6,468.51**	**14,385.77**

The Group's exposure to currency and liquidity risk are disclosed in note 35.

Note 21.1: Includes principal amount of ₹ 230.87 lacs (31 March 2021: ₹ 636.90 lacs) related to Micro, Small and Medium Enterprises.

Note 21.2: Unclaimed dividends when due shall be credited to Investor Protection and Education Fund. There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

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Note 22 : Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from sale of goods	2,88,137.62	2,12,001.82
Other operating revenue (refer note 22.1 below)	30,257.40	13,829.84
Total	**3,18,395.02**	**2,25,831.66**

Note 22.1 : Other operating revenue comprises:		
Sale of waste and scrap	5,890.75	3,835.13
Export incentive (refer note 22.2 below)	24,366.65	9,994.71
Total	**30,257.40**	**13,829.84**

Note 22.2: Pursuant to the approval granted by the Union Cabinet on 14 July 2021 for continuation of Rebate of State and Central Taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide notification dated 8 March 2019 on exports of Apparel /Garments and Made up, the Company the year had recognised the benefit of RoSCTL of ₹ 3,532 lacs pertaining to eligible export sales for the period from 1 January 2021 to 31 March 2021 which had previously not been recognised as the rates were not notified as at 31 March 2021.

Note 23 : Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Interest income		
Interest from bank deposits	218.64	859.30
Interest on electricity deposits	32.00	24.27
Others	25.09	64.58
	275.73	**948.15**
b. Other than interest income		
Foreign exchange gain, net	1,381.90	-
Profit on sale of current investments	60.37	49.66
Gain on current investments carried at fair value through profit or loss	-	74.25
Income on derecognition of leases	-	265.55
Miscellaneous income	243.95	83.45
	1,686.22	**472.91**
Total	**1,961.95**	**1,421.06**

Note 24 : Cost of materials consumed and purchases of stock in trade

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Raw material and packing material consumed	**1,75,271.29**	**76,619.86**
B. Purchase of stock-in-trade	**19,417.91**	**19,290.93**
C. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
- Work in progress	15,475.89	20,756.93
- Finished goods	48,102.52	68,443.24
- Traded goods	7,098.88	9,329.89
	70,677.29	**98,530.06**
Closing stock :		
- Work in progress	21,388.28	15,475.89
- Finished goods	75,146.29	48,102.52
- Traded goods	4,418.61	7,098.88
	1,00,953.18	**70,677.29**
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(30,275.89)**	**27,852.77**

Note 25 : Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	26,826.57	21,831.26
Contribution to provident and other funds	1,140.86	874.45
Gratuity expenses	375.25	273.57
Expenses related to compensated absence	555.81	485.85
Workmen and staff welfare expenses	3,820.22	2,468.34
Total	**32,718.71**	**25,933.47**

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Note 26 : Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on :		
Financial liability at amortised cost		
Interest on term loan [net of subsidy ₹ 6,033.26 lacs (previous year: ₹ 5,814.89 lacs)]	7,667.62	9,057.43
Interest on working capital loans	5,738.19	5,851.72
Interest on payment of income tax	270.00	100.00
Interest on MSMED vendors	439.57	297.49
Interest expense on lease liabilities	638.33	702.87
Other borrowing costs	3,033.90	1,710.46
Exchange differences regarded as an adjustment to borrowing costs	329.47	-
Total	**18,117.08**	**17,719.97**

Note 27 : Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3.1)	14,586.65	13,761.12
Amortisation of intangible assets (refer note 3.3)	1,699.54	1,772.93
Depreciation on Right-of-use of asset (refer note 31)	1,456.69	1,528.57
Less: Amortisation of deferred income on government grants (refer note 18.1)	(1,900.32)	(1,817.32)
Total	**15,842.56**	**15,245.30**

Note 28 : Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spare parts	1,564.28	1,414.88
Power and fuel	26,250.79	12,591.59
Royalty	10,281.13	8,536.83
Contract labour charges	5,180.42	4,324.31
Job work charges	3,350.68	1,202.05
Other manufacturing expenses	1,049.97	700.98
Freight outward, net	6,749.18	4,029.46
Advertisement and publicity	2,722.74	2,519.88
Rent	823.65	1,933.78
Travelling and conveyance	1,524.33	887.72
Professional and consultancy charges (refer note 28.1 below)	1,976.10	2,214.56
Selling expenses	975.87	1,046.53
Repairs and maintenance :		
i. plant and machinery	453.84	305.44
ii. buildings	152.42	145.49
iii. others	433.59	352.15
Insurance	1,232.87	1,077.68
Security charges	427.19	318.79
Communication expenses	524.80	441.75
Rates and taxes	610.64	282.20
Printing and stationery	68.51	55.22
Expenditure on corporate social responsibility (CSR) (refer note 28.2 below)	432.57	575.61
Contribution and donation	30.83	4.52
Commission on sales	62.59	72.60
Loss on sale of property, plant and equipment, net	146.38	38.02
Loss allowance on financial assets, net	52.51	107.55
Foreign exchange loss, net	-	1,121.47
Loss on current investments carried at fair value through profit or loss	40.46	-
Miscellaneous expenses	1,114.46	937.85
Total	**68,232.80**	**47,238.91**

Note 28.1 : Payments to auditors

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
For audit	133.50	113.50
For taxation matters	3.00	3.00
For other services	33.17	6.00
For reimbursement of expenses	4.30	6.81
	173.97	**129.31**
Remuneration to other auditors for the subsidiaries		
For audit	1.00	1.79
Total	**174.97**	**131.10**

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Note 28.2 : Corporate Social Responsibility

The Company has spent towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Amount required to be spent by the company during the year	432.05	573.03
ii) Amount of expenditure incurred on:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (i) above	162.57	575.61
(iii) Shortfall/(excess) at the end of the year	270.00	(2.58)
(iv) Total of previous years shortfal	-	43.88
(v) Reason for shortfall	Pertains to ongoing projects	NA
(vi) Nature of CSR activities	Covid-19 mitigation and allied expenses, promoting health care including preventive health care, special education, rural development project and promoting education	
(vii) Details of related party transactions		
a) Contribution to Himatsingka Foundation in relation to CSR expenditure	401.09	72.00

Note 29 :Commitments

i) Capital Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	836.07	2,397.67

ii) Other commitments:

The Group has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme and Advance Authorisation to utilise the benefit of zero or concessional custom duty rate. The benefits are subject to future exports within the stipulated period. Such export obligation at year end aggregate to ₹ 7,621.14 lacs (31 March 2021 : ₹ 20,360.35 lacs).

Note 30 : Contingent Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Claims against Group not acknowledged as debt		
- Income tax matters (refer note 30.1)	131.28	162.11
- Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 30.1)	797.37	668.90
	928.65	831.01
(b) Guarantees outstanding		
- Financial institutions	16,658.40	16,176.05
- Banks	-	7,684.07
- Others	4,997.52	3,382.27
	21,655.92	27,242.39
Total	**22,584.57**	**28,073.40**

Note 30.1 : The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows including interest and other consequential payments,if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. The Group doesn't expect any reimbursements in respect of the above contingent liabilities.

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Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022
Note 31 : Leases

I. Right-of-use assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Buildings		
Balance as at the beginning of the year	11,326.81	13,824.81
De-recognition of right-of-use of asset	-	(636.05)
Amortisation for the year	(1,456.69)	(1,528.57)
Foreign exchange	225.94	(333.38)
Balance as at the end of the year	**10,096.06**	**11,326.81**

The Group also has certain buildings on lease with contract terms of less than one year. These leases are classified as short-term. The Group has elected not to recognise Right-of-use assets and Lease liabilities for these leases.

II. Lease Liability:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening lease liabilities	12,664.60	14,831.76
Leases surrendered	-	(901.80)
Interest expense on lease liabilities	638.33	702.87
Payment of lease liabilities	(1,942.18)	(1,610.91)
Foreign exchange	267.48	(357.32)
Balance as at the end of the year	**11,628.23**	**12,664.60**
Current	1,489.57	1,355.01
Non-current	10,138.66	11,309.59

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate.

III. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	638.33	702.87
Amortisation expense on right-of-use of asset	(1,456.69)	(1,528.57)
Income on derecognition of leases (included in other income)	-	265.55
Expenses relating to short-term leases (included in other expenses)	823.65	1,933.78
Total	**5.29**	**1,373.63**

IV. Amounts recognised in statement of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
The total cash outflow for leases including cash outflow of short-term leases and leases of low-value assets	2,765.83	3,544.69

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Note 32 : Segment Reporting

The Managing Director and Chief Executive Officer of the group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The group is structured into a single segment of Home Textiles value chain, and accordingly the CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by the Home Textiles and segment information has been presented accordingly.

The geographical information analyses the Group's revenue from external customer and non-current assets of its single reportable segment by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

i) Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
North America	2,48,733.23	1,84,674.99
India and Asia pacific	10,703.96	8,501.00
Europe, Middle East and Africa	26,734.17	17,830.37
Rest of the world	1,966.26	995.46
Total	**2,88,137.62**	**2,12,001.82**

Revenue generated from major customers

Customers contributing 10% or more of Company's revenue aggregates to 47.84 % of the total revenue in financial year 2021-22 (44.89% in the financial year 2020-21)

ii) All non -current assets other than financial instruments, deferred tax assets of the Group are located in India.

Note 33 : Income Taxes

Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
In respect of the current year	4,290.39	1,515.67
	4,290.39	**1,515.67**
Deferred tax:		
In respect of the current year	2,660.49	1,170.72
	2,660.49	**1,170.72**
Income tax expense reported in the statement of profit and loss	**6,950.88**	**2,686.39**

Income tax recognized in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurements of the defined benefit (asset) / liabilities	8.08	(80.70)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	69.80	1,199.33
Income tax charged to other comprehensive (loss)/ income	**77.88**	**1,118.63**

Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit / (loss) before income tax	21,032.51	(2,648.49)
Enacted income tax rate in India	34.94%	34.94%
Tax using the Holding company's domestic tax rate	7,349.60	(925.49)
Effects of tax concessions and MAT entitlement	(141.39)	(274.16)
Effects of non - deductible expenses for tax purposes	321.68	199.48
Effects due to differential tax rates on capital gains	4.71	(10.11)
Others inclduing effects of incentive income accounted in current year while offered for tax in the previous year (refer note 22.2)	(1,022.80)	-
Tax credit not recognised of losses of subsidiaries operating in other jurisdictions	439.08	3,696.65
Total income tax expense recognised in the statement of profit and loss	**6,950.88**	**2,686.37**

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Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 33 : Income Taxes (continued)

Deferred tax

Deferred tax relates to the following:

(₹ Lacs)

Particulars	As at 1 April 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	As at 31 March 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	MAT utilisation	As at 31 March 2022
Deferred tax assets / (liabilities), net								
Property, plant and equipments and intangible assets	(24,997.42)	(2,792.81)	-	(27,790.23)	(2,702.08)	-	-	(30,492.31)
Cash flow hedge	936.51	-	(1,199.33)	(262.82)		(69.80)	-	(332.62)
Provision for gratuity and compensated absences	803.68	321.57	80.70	1,205.95	4.19	(8.08)	-	1,202.06
Leases	261.29	(99.50)	-	161.79	-	-	-	161.79
MAT credit entitlement	17,479.11	1,498.00	-	18,977.11	(949.17)	-	(167.43)	17,860.51
Unrealised profits on inventory	538.33	75.19	-	613.52	(45.13)	-	-	568.39
Others	2,144.58	(173.15)	-	1,971.43	1,031.70	(44.85)	-	2,958.28
Deferred tax assets / (liabilities), net*	**(2,833.92)**	**(1,170.70)**	**(1,118.63)**	**(5,123.25)**	**(2,660.49)**	**(122.73)**	**(167.43)**	**(8,073.90)**

*refer note 8(B)

Note 34 : Earnings/ (loss) per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit/(loss) for the year attributable to equity shareholders	14,081.63	(5,334.86)

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Number of equity shares outstanding at the beginning of the year	9,84,57,160	9,84,57,160
Add: Weighted average number for equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	9,84,57,160	9,84,57,160

Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic	14.30	(5.42)
Diluted	14.30	(5.42)

Note 35: Financial instruments:

Note 35.1 : Categories of financial instruments:

Accounting classification and fair value
The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy
The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:
a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2022	Level 1	Level 2	Level 3
Financial assets				
Measured at amortised cost:				
Cash and cash equivalents	11,548.96	-	-	-
Other bank balances	5,183.07	-	-	-
Trade receivables	39,945.72	-	-	-
Loans (current and non-current)	143.90	-	-	-
Other financial assets (current and non-current)	20,152.72	-	-	-
Measured at FVTOCI				
Derivative asset	1,382.97	-	1,382.97	-
Measured at FVTPL				
Investments (current and non-current)	1,331.03	344.96	-	986.07
Total	**79,688.37**	**344.96**	**1,382.97**	**986.07**
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	2,80,541.32	-	-	-
Trade payables	70,825.61	-	-	-
Lease liabilities (current and non-current)	11,628.23	-	-	-
Other financial liabilities (current and non-current)	6,103.94	-	-	-
Measured at FVTOCI				
Derivative liability	364.57	-	364.57	-
Total	**3,69,463.67**	-	**364.57**	-

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(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2021	Level 1	Level 2	Level 3
Financial assets				
Measured at amortised cost:				
Cash and cash equivalents	6,719.34	-	-	-
Other bank balances	5,902.38	-	-	-
Trade receivables	33,150.60	-	-	-
Loans (current and non-current)	118.72	-	-	-
Other financial assets (current and non-current)	16,318.97	-	-	-
Measured at FVTOCI				
Derivative asset	920.80	-	920.80	-
Measured at FVTPL				
Investments (current and non-current)	1,838.66	1,025.51	-	813.15
Total	**64,969.47**	**1,025.51**	**920.80**	**813.15**
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	2,46,650.60	-	-	-
Trade payables	60,959.15	-	-	-
Lease liabilities (current and non-current)	12,664.60	-	-	-
Other financial liabilities (current and non-current)	14,861.72	-	-	-
Measured at FVTOCI				
Derivative liability	168.68	-	168.68	-
Total	**3,35,304.75**	-	**168.68**	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial assets:

The Group has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

Current Investments : Fair value of quoted mutual funds units is based on quoted market price at the reporting date.

Financial liabilities:

Borrowings: It includes loans taken from banks and financial institution, cash credit and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on loans is reset on a monthly / quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed almost equal to the carrying values.

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Note 35.2 : Financial risk management:
The Group's activities expose to financial risks: credit risk, liquidity risk and market risk.

Risk management framework
The Board of directors of the Holding Company has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Holding Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk:
Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Bank deposits includes an amount of ₹ 7,416.39 lacs held with a bank having high quality credit rating which is individually in excess of 10% or more of the Group's total bank deposits for the year ended 31 March 2022. None of the other financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 78,693.99 lacs and ₹ 64,149.93 lacs as at 31 March 2022, and 31 March 2021, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets excluding cash in hand and equity investments.

Geographic concentration of credit risk
Geographic concentration of trade receivables (gross and net of allowances) is as follows:

Particulars	**As at 31 March 2022**		**As at 31 March 2021**	
	Gross %	**Net %**	**Gross %**	**Net %**
North America	57%	60%	67%	70%
Europe, Middle east and Africa	25%	22%	22%	18%
India and Asia pacific	16%	16%	10%	10%
Rest of the world	2%	2%	1%	1%

Geographical concentration of trade receivables is allocated based on the location of the customers.

ii. Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Management monitors rolling forecast of the Group's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

A) Financing arrangement
The Group maintains the following line of credit:
(a) Terms loans taken from bank aggregrating to ₹ 72,285.52 lacs (31 March 2021 ₹ 95,042.68 lacs) repayable in various quarterly and yearly installments with interest rate ranging from 4.03% to 10.83% (31 March 2021 : 3.71% to 11.26%) per annum. Term Loan from financial institutions aggregrating to ₹ 103,648.78 lacs (31 March 2021 ₹ 68,028.41 lacs) with interest rate ranging from 3.79% to 13.56% (31 March 2021 : 4.22% to 10%) per annum.

(b) Working capital loans from banks carry an effective interest rate of 4.09% per annum, computed on a monthly basis on the actual amount utilized, and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts of the Group and second pari passu charge on the movable (other than those exclusively charged) and immovable fixed assets of the Group.

(c) The Group has receivable bill discounting facility from banks which are payable within 120 days from date of bill discounted.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2022

(₹ Lacs)

Particulars		Contractual cash flows			
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Financial liabilities:					
Borrowings	2,80,541.32	3,37,103.41	1,35,342.75	1,49,385.54	52,375.12
Trade payables	70,825.61	70,825.61	70,825.61	-	-
Lease liabilities	11,628.23	14,564.37	2,065.51	6,180.24	6,318.62
Other financial liabilities	6,468.51	6,468.51	6,468.51	-	-

As at 31 March 2021

(₹ Lacs)

Particulars		Contractual cash flows			
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Financial liabilities:					
Borrowings	2,46,650.60	3,02,266.97	1,21,228.80	1,19,098.99	61,939.18
Trade payables	60,959.15	60,959.15	60,959.15	-	-
Lease liabilities	12,664.60	16,187.36	1,988.29	6,473.36	7,725.71
Other financial liabilities	15,030.40	15,030.40	14,385.77	644.63	-

As disclosed in note 16.1, the Group has secured bank loan that contains loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk:

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are USD, GBP etc.

Management monitors the movement in foreign currency and the Group's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Group decides to exchange its foreign currency. A significant portion of the Group's revenues are in foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to foreign currencies, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative and non-derivative financial instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates.

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Sell Contracts:

	As at 31 March 2022			As at 31 March 2021		
Particulars	**in Foreign Currency in (Million)**	**₹ lacs**	**MTM (₹ lacs)**	**in Foreign Currency in (Million)**	**₹ lacs**	**MTM (₹ lacs)**
In USD	230.29	1,78,974.63	1,033.98	143.90	1,08,976.29	775.34
Total		**1,78,974.63**	**1,033.98**		**1,08,976.29**	**775.34**

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Buy Contracts:

	As at 31 March 2022			As at 31 March 2021		
Particulars	**in Foreign Currency in (Million)**	**₹ lacs**	**MTM (₹ lacs)**	**in Foreign Currency in (Million)**	**₹ lacs**	**MTM (₹ lacs)**
IN EURO	0.76	663.33	(5.66)	2.35	2,109.61	(35.09)
In JPY	-	-	-	71.62	518.84	(6.09)
In USD	5.37	4,131.95	(9.92)	4.17	3,113.52	17.97
Total		**4,795.28**	**(15.58)**		**5,741.97**	**(23.21)**

The foreign exchange forward contracts mature within 12 months. The table below analyses the derivative financial instruments sell contracts into relevant maturity groupings

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Less than 30 days	17,901.41	9,518.61
31 to 90 days	15,548.61	9,344.74
91 to 180 days	52,810.31	33,475.62
181 to 365 days	92,714.30	56,637.32
Total	**1,78,974.63**	**1,08,976.29**

The foreign exchange forward contracts maturity. The table below analyses the derivative financial instruments buy contracts into relevant maturity groupings based on the

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Less than 30 days	-	-
31 to 90 days	1,731.92	167.17
91 to 180 days	3,063.36	4,027.94
181 to 365 days	-	1,546.86
Total	**4,795.28**	**5,741.97**

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Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk (unhedged foreign currency exposure) as reported to management is as follows:

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Amount in foreign currency in lacs	Amount in ₹ lacs	Amount in foreign currency in lacs	Amount in ₹ lacs
Cash and cash equivalents	USD	0.24	18.10	0.19	13.92
	EUR	0.24	19.99	0.46	39.84
	GBP	0.29	29.08	0.07	6.62
Trade receivables	USD	201.82	15,281.78	120.28	8,844.10
	EUR	9.92	838.02	42.70	3,676.36
	GBP	5.02	498.71	9.41	950.06
	AED	0.02	0.31	0.06	1.18
Other non current assets	USD	0.54	40.81	0.28	20.53
	EUR	0.01	0.88	-	-
Other current assets	USD	1.75	132.79	0.51	37.46
	EUR	0.37	31.32	0.34	28.98
Borrowings	USD	91.66	6,940.85	301.61	22,176.82
Trade payables	USD	133.53	10,110.97	67.48	4,961.97
	EUR	8.15	688.39	3.00	258.06
	GBP	0.13	12.50	0.22	21.76
	CHF	0.02	1.65	0.02	1.58
	JPY	0.22	0.13	12.82	8.51
Other current liabilities	USD	26.91	2,037.32	4.74	348.22
	EUR	5.14	434.30	5.50	473.57
	GBP	0.00	0.33	0.21	21.37
Other financial liabilities	USD	0.80	60.60	0.06	4.32
	EUR	3.80	320.72	35.34	3,042.41
	JPY	-	-	3,655.66	2,425.30

There were no forward contracts outstanding against the above mentioned foreign currency assets and liabilities as at 31 March 2022.

The following significant exchange rates have been applied

Currency	Year end spot rate	
	31 March 2022	31 March 2021
USD/INR	75.72	73.53
EUR/INR	84.50	86.10
GBP/INR	99.26	100.93
AED/INR	20.61	20.02
CHF/INR	81.86	77.90
JPY/INR	0.62	0.66

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Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO and GBP against ₹ at 31 March 2022 and 31 March 2021 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (1% movement)	(36.76)	36.76	23.92	(23.92)
EURO (1% movement)	(5.53)	5.53	3.60	(3.60)
GBP (1% movement)	5.15	(5.15)	(3.35)	3.35
AED (1% movement)	0.00	(0.00)	(0.00)	0.00
CHF (1% movement)	(0.02)	0.02	0.01	(0.01)
JPY (1% movement)	(0.00)	0.00	0.00	(0.00)
31 March 2021				
USD (1% movement)	(185.75)	185.75	120.84	(120.84)
EURO (1% movement)	(0.29)	0.29	0.19	(0.19)
GBP (1% movement)	9.14	(9.14)	(5.94)	5.94
CHF (1% movement)	-	-	-	-
JPY (1% movement)	(24.25)	24.25	15.78	(15.78)

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Group's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Group's borrowings comprises of term loan, working capital loan and bill discounting which carries variable rate of interest, which expose it to interest rate risk.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2022	31 March 2021
Borrowings (current and non current)	2,80,541.32	2,46,650.60
Total	**2,80,541.32**	**2,46,650.60**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	25 basis points Increase	25 basis points Decrease	25 basis points Increase	25 basis points Decrease
31 March 2022				
Borrowings (current and non current)	(658.99)	658.99	(428.71)	428.71
31 March 2021				
Borrowings (current and non current)	(660.12)	660.12	(429.45)	429.45

Note 35.3: Capital management

The Group's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to uphold investor, creditor and market confidence and to sustain future development and growth of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Group's capital management, adjusted net debt is defined as aggregate of non-current borrowings and current borrowings less cash and cash equivalents, deposits and current investments and total equity includes issued capital and all other equity reserves.

The Group's adjusted net debt equity ratio were as follows:

Particulars	31 March 2022	31 March 2021
Borrowings including lease liabilities (current and non-current)	2,92,169.55	2,59,315.20
Less: Cash and cash equivalents including deposits and current investments	(18,604.10)	(14,444.95)
Adjusted net debt	**2,73,565.45**	**2,44,870.25**
Total equity	1,46,971.35	1,31,522.20
Net debt to equity ratio	**1.86**	**1.86**

The Group has also evaluated the impact of the COVID-19 on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

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Note 36 : Related party disclosures

Note 36.1 : Name of related parties and description of relationship

Description of relationship	Names of the related parties
Key management personnel	D.K. Himatsingka - Executive Chairman Shrikant Himatsingka - Managing Director & CEO K.P.Rangaraj - Chief Financial Officer Sridhar Muthukrishnan - Company Secretary
	Non-executive directors Rajiv Khaitan - Independent Director Sangeeta Kulkarni - Independent Director Pradeep Bhargava - Independent Director Raja Venkataraman - Independent Director *V.Vasudevan - Non-Executive Director w.e.f. May 29, 2021
Transaction with entities over which key management personnel or relatives of such personnel are able to exercise significant influence	Khaitan & Co LLP Jacaranda Design LLC Bihar Mercantile Union Private Limited Orient Silk Private Limited Aditya Resources Limited Priya Resources Private Limited Awdhan Trading Co Ltd Himatsingka Foundation
Transaction with relatives of key management personnel	Mrs. Rajshree Himatsingka (Wife of D.K. Himatsingka) Ms. Priyadarshini Himatsignka (Daughter of D.K. Himatsingka) Mrs. Akanksha Himatsingka (Wife of Shrikant Himatsingka)

* Executive Director till May 29, 2021.

List of subsidiaries (including step subsidiaries)

Name of the entity	Subsidiary/ Step Subsidiary	Country of domicile	Holding as at	
			31 March 2022	31 March 2021
Himatsingka Wovens Private Limited	Subsidiary	India	100%	100%
Himatsingka Holdings North America, Inc.	Subsidiary	United States of America	100%	100%
Twill & Oxford LLC (under liquidation)	Subsidiary	United Arab Emirates	49%	49%
Himatsingka America, Inc.	Step Subsidiary	United States of America	100%	100%

Note 36.2 : Related party transactions during the year

(₹ Lacs)

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Professional fees	Jacaranda Design LLC	149.05	148.19
	Khaitan & Co LLP	23.23	25.75
	V Vasudevan	20.00	-

Note 36.3: Balance payable to related parties as at the balance sheet date:

(₹ Lacs)

Particulars		As at 31 March 2022	As at 31 March 2021
Other payables	Jacaranda Design LLC	161.29	85.56

Note 36.4 : Compensation and dividend payment to key management personnel*

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and compensation	736.26	612.26
Commission	300.00	40.00
Dividend paid	102.24	102.24
Sitting fees	29.50	23.26
Total	**1,168.00**	**777.76**

Note 36.5 Compensation and dividend payment to other related parties

i) Relatives of key management personnel (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and compensation	148.92	23.27
Dividend paid	30.68	30.68
Total	**179.60**	**53.95**

ii) Entities over which key management personnel or relatives of such personnel are able to exercise significant influence (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend paid		
Bihar Mercantile Union Private Limited	31.34	31.34
Orient Silk Private Limited	17.17	17.17
Aditya Resources Limited	16.49	16.49
Priya Resources Private Limited	15.61	15.61
Awdhan Trading Co Ltd	20.64	20.64
Total	**101.25**	**101.25**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are at arm's length basis and none of the balances are secured.

Note 37:
During the previous year ended 31 March 2021, the Company has passed a board resolution dated 7 November 2020 and converted loan given to one of its subsidiaries aggregating ₹ 25,258.17 lacs into equity. Further, the Company as a measure to restructure its luxury retail business had closed its retail store in Dubai and accordingly had recorded the net asset of its subsidiary at its fair value. Consequently, the Company had provided for ₹ 747.64 lacs (includes loan of ₹ 577.75 lacs) in the standalone financial statements of the Company as these amounts were not considered recoverable. The Company had also made a provision towards impairment of investment of ₹ 37.35 lacs. However, there is no impact on the consolidated financial statements of the Group.

Note 38 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s)or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (FundingParty) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 39 : Transfer pricing
The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

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Notes to the consolidated financial statements for the year ended 31 March 2022

Note 40 : Quarterly statements

The quarterly statement as submitted to the banks/financial institutions when compared to the books of accounts of the Group and the reasons for variances are as follows:

Name of the Bank	Quarter Ended	Particulars of security provided	Amount disclosed as per quarterly return/statement*	Amount as per Books of accounts*	Difference	Reason for variance
Canara Bank, The HSBC Ltd., Indusland Bank Ltd., Axis Bank, Kotak Bank, RBL Bank Ltd., DCB Bank Ltd., Yes Bank Ltd., Karur Vysya Bank Ltd., IDBI Bank Ltd., Bank of India, HDFC Bank Ltd., Bank of Maharashtra	Mar-22	Inventories, Trade receivables,Trade payables, Subsidy receivable under various government schemes, Interest subsidy receivable and Balances with government authorities	1,05,169.96	1,14,120.06	8,950.10	The differences are because of the statements filed with the lenders are based on financial statements which are prepared on provisional basis and also on account of exclusion of certain current assets and current liabilities in the statements filed with the lenders as per terms of sanction
	Dec-21		88,744.21	1,01,799.67	13,055.46	
	Sep-21		88,187.99	98,690.38	10,502.39	
	Jun-21		83,015.35	83,679.17	663.82	

* The amount represents the net of certain items of current assets and current liabilites provided as a part of security to the bankers

Note 41 : Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2022 -

Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ lacs)	As % of consolidated profit or loss	Amount (₹ lac)	As % of consolidated Comprehensive income	Amount (₹ lacs)	As % of consolidated total comprehensive income	Amount (₹ lacs)
Himatsingka Seide Limited	54%	1,71,003.15	250%	15,432.57	100%	145.00	246%	15,577.57
Indian Subsidiaries								
Himatsingka Wovens Private Limited	1%	2,201.89	1%	71.31	0%	-	1%	71.31
Foreign Subsidiaries								
Himatsingka Holdings North America, Inc	32%	1,03,450.47	-23%	(1,398.10)	0%	-	-22%	(1,398.10)
Himatsingka America, Inc	13%	41,981.01	-128%	(7,925.44)	0%	-	-125%	(7,925.44)
Twill & Oxford LLC	0%	5.63	0%	(2.81)	0%	-	0%	(2.81)
	100%	**3,18,642.15**	**100%**	**6,177.53**	**100%**	**145.00**	**100%**	**6,322.53**
Consolidated adjustments		(1,71,670.80)		7,904.10		1,714.98		9,619.08
Total		**1,46,971.35**		**14,081.63**		**1,859.98**		**15,941.61**

Note 42 : Events after reporting period

On 30 May 2022, the Board of Directors recommended a final dividend of ₹ 0.50 per equity share to be paid to the shareholders for financial year 2021-22, which needs to be approved by shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 492.29 lacs.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

for and on behalf of the Board of Directors of
Himatsingka Seide Limited

D.K. Himatsingka

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Himatsingka Seide Limited

K.P.Rangaraj
Chief Financial Officer

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

Sridhar Muthukrishnan
Company Secretary
Membership number:9606

Place: Bengaluru
Date : 30 May 2022

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our strengths and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 31, for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition" on pages 44 and 334, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information for the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022 included herein is based on and derived from the Unaudited Consolidated Financial Results and the Audited Consolidated Financial Statements included in this Placement Document. For further information, see "Financial Statements" on page 95. Our fiscal year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

Unless stated otherwise, statistical information, industry and market data used in this section has been derived from the industry report titled "Industry Report on Textiles Industry" dated October 24, 2024, (the "CRISIL") which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL pursuant to an engagement letter dated August 7, 2024, in connection with the Issue. For details, see "Industry and Market Data" on page 12.

Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its subsidiaries (both as at and during the relevant fiscal/ period), on a consolidated basis and any reference to the "the Company" or "our Company" refers to Himatsingka Seide Limited, on a standalone basis.

OVERVIEW

Established in 1985, Himatsingka Seide Limited is a vertically integrated textile company with a global footprint. We design, develop, manufacture and distribute a suite of textile products. On the manufacturing front, we operate four manufacturing facilities situated across two campuses in the state of Karnataka, India. Our manufacturing facilities are equipped with capacities for producing an array of home textiles products such as Bedding Products, Bath Products, Cotton Yarn Products and Drapery and Upholstery Products.

Our integrated manufacturing operations are complemented by a global distribution network spread across North America, EMEA and Asia. We operate a significant in-house and proprietary brand portfolio of eight brands, (Atmosphere, Liv, Bellora, Himeya, PimaCott, Organicott, GizaCott, and Homegrown cotton) and a private label portfolio for home textile products catering to global clients. As of March 31, 2024, we had a total asset base of approximately ₹ 5,79,451.10 lakhs and a turnover of ₹ 2,84,145.10 lakhs, had employed over 6,842 permanent employees globally and 1,125 employees engaged through contract labour and serviced clients across 35 countries globally.

Manufacturing Facilities

We operate four integrated manufacturing facilities spread over 393.38 acres in two campuses located in the state of Karnataka, India. Our 366.61-acre campus in Hassan, Karnataka houses three manufacturing plants (integrated Cotton Spinning Plant, integrated Terry Towel Plant and integrated Sheeting Plant). Our 26.76-acre campus in Doddaballapur, Karnataka houses one manufacturing plant which is our integrated Drapery and Upholstery Plant.

We believe that our manufacturing platforms epitomize scale, flexibility, efficiencies, technology, and digitization. Our integrated manufacturing facilities produce suite of home textile products for our global client base who cater to consumer audiences worldwide.

Our manufacturing capacity matrix and the key features of our manufacturing facilities as of June 30, 2024 are as follows:

Manufacturing capacity matrix as of June 30, 2024

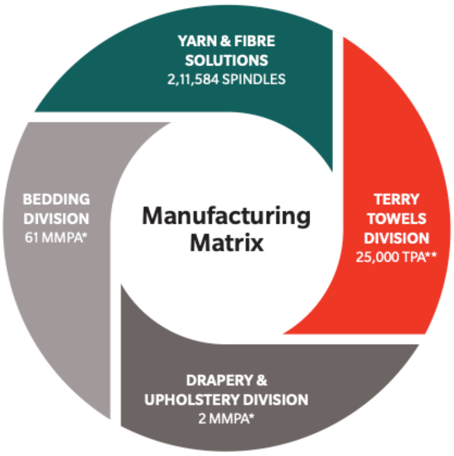


Figure 12 : Manufacturing Capacity Matrix
*** MMPA refers to million meters per annum.*
**TPA refers to tonnes per annum.*

Key features of our manufacturing facilities as of June 30, 2024

Plant	Location	Capacity	Particulars
Integrated Cotton Spinning Plant	Hassan, Karnataka, India	211,584 spindles	Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of cotton spinning capacity under one roof globally with an installed capacity of 211,584 Spindles as of June 30, 2024. (*Source: CRISIL Report*) The Spinning Plant is equipped with advanced technology platforms from global technology leaders in spinning equipment and is capable of producing a broad cross-section of cotton yarn products under one roof.
Integrated Sheeting Plant	Hassan, Karnataka, India	61 MMPA	Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of Bedding Products with a manufacturing capacity of 61 MMPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Sheeting Plant is capable of producing a comprehensive suite of Bedding Products that include core bedding, fashion bedding, utility bedding, comfort bedding and seasonal bedding. This ability to produce a broad cross-section of products makes our Sheeting Plant flexible and capable of catering to the dynamic and ever-changing preferences of global retailers.
Integrated Terry Towel Plant	Hassan, Karnataka, India	25,000 TPA	Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of terry towel manufacturing capacity of 25,000 TPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Terry Towel Plant is capable of producing a comprehensive suite of Bath Products that include core towels, fashion towels, beach towels, kitchen towels, cleaning towels, seasonal towels, bath robes and accessories among other products. This ability to produce a broad cross-section of Bath Products makes our Terry Towel Plant flexible and capable of catering to the dynamic and ever-changing preferences of global retailers.
Integrated Drapery and Upholstery Plant	Doddaballapur,Karnataka, India	2 MMPA	Located at our 26.76 -acre campus at Doddaballapur, Karnataka, we have an installed capacity of 2 MMPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Drapery and Upholstery Plant is capable of producing a comprehensive suite of Drapery and Upholstery Products to cater to luxury soft home brands worldwide.

Global Networks, Brands and Clients

As an integrated business, we manufacture and distribute a suite of home textile products across markets worldwide. Our distribution capabilities are powered by brands (owned and licensed) and private label portfolios that service over 117 export clients across 35 countries worldwide. Our products reach consumers across retail platforms and channels globally. Our international network of sales offices is situated in India, and USA and our warehousing facilities are situated in India and USA.

We have reach with global retailers that operate across different markets, formats and channels. Through our global networks, we cater to different global retailers including certain Fortune 500 companies and service a global client base across various retail formats and channels including hyper markets, departmental stores, speciality stores, off-price retailers, importers, multi-brand outlets and e-commerce platforms amongst other formats. We operate a marquee brand portfolio in the home textile space and offer global clients our brands (licensed and owned) across product categories, price points and channels.

Bellora SINCE 1883 HIMEYA atmosphere PimaCott

Promoters, Board and Management

We are led by our Promoters, Dinesh Kumar Himatsingka (Executive Chairman) and Shrikant Himatsingka (Executive Vice Chairman and Managing Director). Our Promoters have a strong track record, experience and deep expertise in the textiles industry. Our Promoter and Executive Chairman, Dinesh Kumar Himatsingka founded the Company in 1985 and has spent 39 years with the Company, while our Promoter, Executive Vice Chairman and Managing Director, Shrikant Himatsingka has been with the Company for the period of over 21 years.

Our Board of Directors and Senior Management bring with them expertise and know-how from various industrial and service sectors including in the textile sector, manufacturing sector, banking and financial services sector which helps us assess risks and opportunities using optimal frameworks whilst adhering to all the regulatory and statutory requirements and regulations. For details of our Board and management, see "*Board and Senior Management*" on page 414.

Financial Metrics

The table below set outs some of our financial and other metrics for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022:

(In ₹ lakhs, unless specified below)

Particulars	As of and for the year ended March 31,		
	2024	2023	2022
Revenue from Operations	284,145.10	267,774.26	318,395.02
Other Income	2,113.30	7,501.85	1,961.95
Total Revenue	286,258.40	275,276.11	320,356.97
EBITDA	61,733.20	34,603.81	54,992.15
EBITDA Margin (%)	21.73%	12.92%	17.27%
EBIT	45,922.84	18,200.49	39,149.59
Profit/(Loss) before tax	16,276.24	(7,522.67)	21,032.51
Tax Expense	4,994.02	(1,114.70)	6,950.88
Profit(Loss) after tax	11,282.22	(6,407.97)	14,081.63

STRENGTHS

Global presence with extensive distribution and reputed client base

As an integrated business, we manufacture and distribute our suite of home textile products across markets worldwide. Our distribution capabilities are powered by strong brand (owned and licensed) and private label portfolios that service over 117 exports clients across 35 countries worldwide. We reach consumers across retail platforms and channels globally. Our international network of sales offices (India, and USA) and warehousing facilities (India and USA) assist us in driving sales, provide after-sales services and enable supply chain support for client requirements across key markets.

The countries we service span across North America, EMEA, United Kingdom, India and the Asia Pacific Region. The following table represents our geographical revenues segregated based on the locations of the customers who are invoiced or in relation to which the revenues are otherwise recognized, as a percentage of our total revenue from customers for the years specified:

(in ₹ lakhs, unless specified otherwise)

Particulars	Revenue for the year ended June 30, 2024	For the year ended June 30, 2024 as a % of total revenue	Revenue for the year ended March 31, 2024	For the year ended March 31, 2024 as a % of total revenue	Revenue for the year ended March 31, 2023	For the year ended March 31, 2023 as a % of total revenue	Revenue for the year ended March 31, 2022	For the year ended March 31, 2022 as a % of total revenue
North America	38,728.95	70.58%	2,20,176.46	85.44%	2,12,292.82	86.01%	2,48,733.23	86.32%
India and Asia pacific	8,380.32	15.27%	8,068.04	3.13%	9,673.87	3.92%	10,703.96	3.72%
Europe, Middle East and Africa	6,732.73	12.27 %	28,005.15	10.87%	23,546.29	9.54%	26,734.17	9.28%
Rest of the world	1,029.49	1.88%	1,455.11	0.56%	1,315.65	0.53%	1,966.26	0.68%

Total	**54,871.49**	**100.00%**	**2,57,704.76**	**100.00%**	**2,46,828.63**	**100.00%**	**2,88,137.62**	**100.00%**

We have reach with global retailers across key markets, formats and channels. We service these retailers for their private label requirements across various categories of soft home products (Bedding Products, Bath Products and Drapery and Upholstery Products). Through our global networks we cater to different global retailers including certain Fortune 500 companies and service a global client base across various retail formats and channels including hyper markets, departmental stores, speciality stores, off-price retailers, importers, multi-brand outlets and e-commerce platforms amongst other formats. Our long-standing relationship with our major customers along with our commitment to quality and customer service practices have been significant to our robust customer relations and growth. We continually receive repeat business from our international customers, and our top three international clients have been associated with us for several years indicating their confidence in our ability to understand the latest trends and ensure timely delivery of quality products.

In addition to private label requirements of global retailers, we also offer global clients our brands (licensed and owned) across product categories, price points and numerous channels. We operate a marquee brand portfolio in the home textile space and believe that we are optimally positioned to cater to the diverse requirements of global retail majors and accommodate a dynamic range of consumer preferences across geographies.

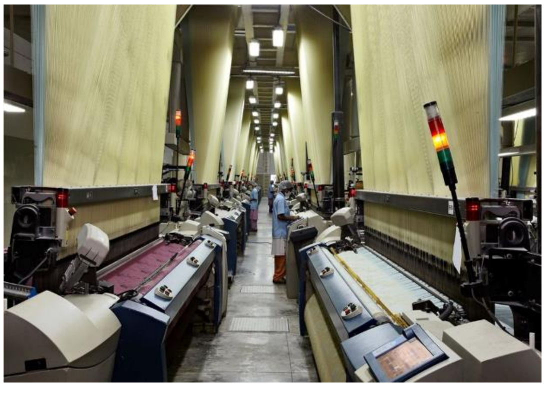
Figure 13 : Our Brands

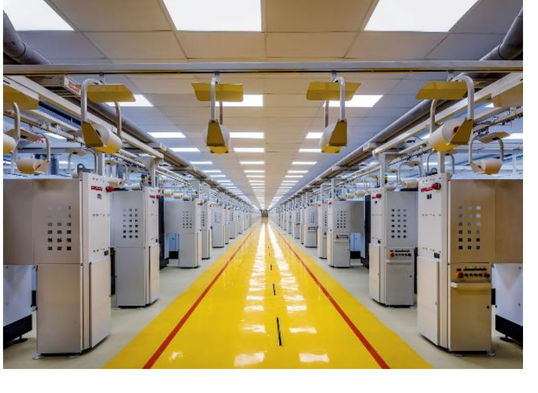
Operating manufacturing facilities of global scale

We build and operate four integrated manufacturing facilities across two campuses in Karnataka, India. The two campuses located in Hassan and Doddaballapur are cumulatively spread over 393.38 acres. The four plants are equipped with capacities for the products they manufacture and deploy advanced technology platforms to enable high degrees of flexibility, efficiencies and digitization. The facilities are equipped with and are capable of producing a suite of bedding and Bath Products for our customers who cater to consumers worldwide.

Our 366.61-acre Hassan campus and 26.76-acre Doddaballapur campus together house four manufacturing plants. As of June 30, 2024, the four manufacturing plants are equipped with capacities as follows:

- **Integrated Cotton Spinning Plant**: Located at our 366.61-acre campus at Hassan, Karnataka, India, we are amongst the top five companies in India in terms of cotton spinning capacity under one roof with an installed capacity of 211,584 spindles. [(*Source: CRISIL Report*)]
- **Integrated Sheeting Plant**: Located at our 366.61-acre campus at Hassan, Karnataka, India, we are amongst the top five companies in India in terms of Bedding Products with a manufacturing capacity of 61 MMPA. [(*Source: CRISIL Report*)]
- **Integrated Terry Towel Plant**: Located at our 366.61-acre campus at Hassan, Karnataka, India, we are amongst the top five companies in India in terms of terry towel manufacturing capacity of 25,000 TPA. [(*Source: CRISIL Report*)]
- **Integrated Drapery and Upholstery Plant**: Located at our 26.76-acre campus at Doddaballapur, Karnataka, India, we have an installed capacity of 2 MMPA. [(*Source: CRISIL Report*)]





Drapery and Upholstery Plant *Spinning Plant*

Sheeting Plant *Terry Plant*

In addition to our core capacities of Spinning, Weaving, processing and Sewing, our manufacturing campuses are also equipped with advanced platforms such as a 11 MLD zero liquid discharge effluent treatment plant and a 12.5 MW captive coal generation power plant among other shared assets.

Our manufacturing facilities are constantly tested for their adherence and compliance to various quality, occupational health, environment and safety standards and have been certified by various certification agencies worldwide. We have a well-established occupational health, safety and environmental management systems that have been accredited with the certification such as ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. Our products meet the human-ecological requirements of the STANDARD 100 by OEKO- TEX. Our security management system has been recognised and certified by the United Registrar of Systems. We are an approved licensee of Supima Cotton, Egyptian and Organic Cotton for utilising yarn or fabric made from American Pima cotton

Vertically integrated business powered by advanced technology platforms and next generation manufacturing shopfloors

We believe that an integrated model drives control, efficiencies and transparency, paving the way for a more reliable and predictable supply chain. We operate an integrated model that gives us visibility of the entire value chain from fibre to shelf, improves our response time and enables us to make high frequency product introductions that drive consumer choices.

The following chart depicts our vertically integrated model from fibre to shelf:

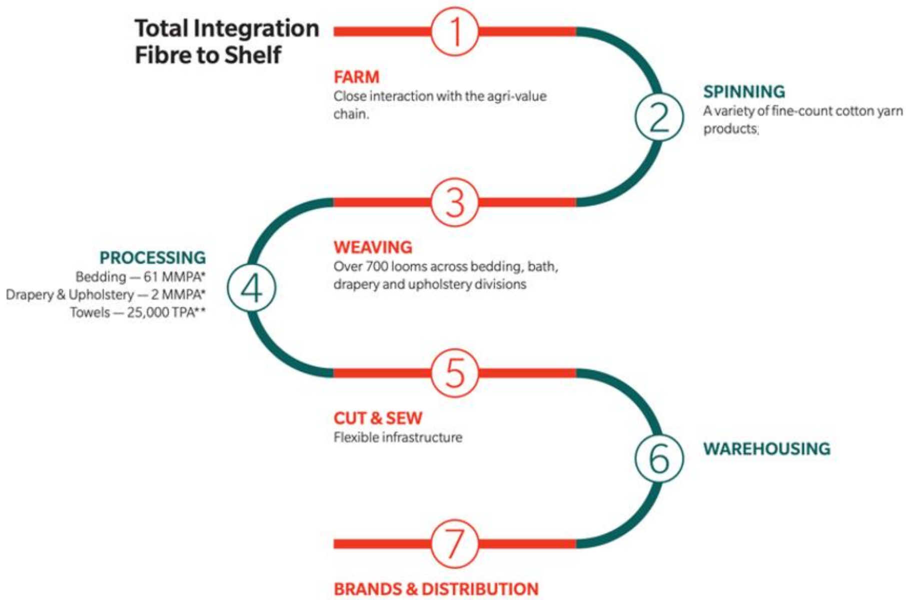


Figure 14 : Total Integration – Fibre to Shelf

Our operations commence with the production of yarn at our integrated Spinning Plant. It is then followed by Weaving, Processing and Sewing at our integrated Sheeting and Terry Towel Plants. During the manufacturing process, our plants are assisted by inhouse captive power plants, zero liquid Discharge (ZLD) water management plants and physical and chemical laboratories among other assets. Our vertical asset base ensures the highest standards of quality control and compliance, thereby enhancing the reliability quotient sought by global retail majors.

Whilst focusing on digital transformation initiatives, we have digitised our shop floors to power innovation, enhance speed and usher in a high-productivity work culture. Data analytics, robotics, automation, and the internet of things have been central themes in the application of information and communication technology to every facet of our operation. These initiatives enable us to rapidly adapt to evolving market conditions, while ensuring a high degree of compliance through the global value chain.

Further, through our R&D efforts, we have introduced a dope dyed method through which we dye the fibre water-free. Through this method, we have managed to save 4.0 gallons of water per bath towel and 16.5 gallons of water per queen sheet set. In textiles, processing (dyeing) is considered to be the polluting factor, but with dope dying this issue is eliminated and since dope dying is carried out with 100% renewable energy, we save majorly in GHG emission.

Shop Floors

Comprehensive suite of home textile products backed by innovation and strong brand and private label portfolios

We are amongst the top five companies involved in manufacturing of home textile solutions encompassing Bedding Products, Bath Products, Drapery and Upholstery Products and Cotton Yarn Products. [(*Source: CRISIL Report*)]

The figure below demonstrates the breadth and depth of product categories manufactured by us:

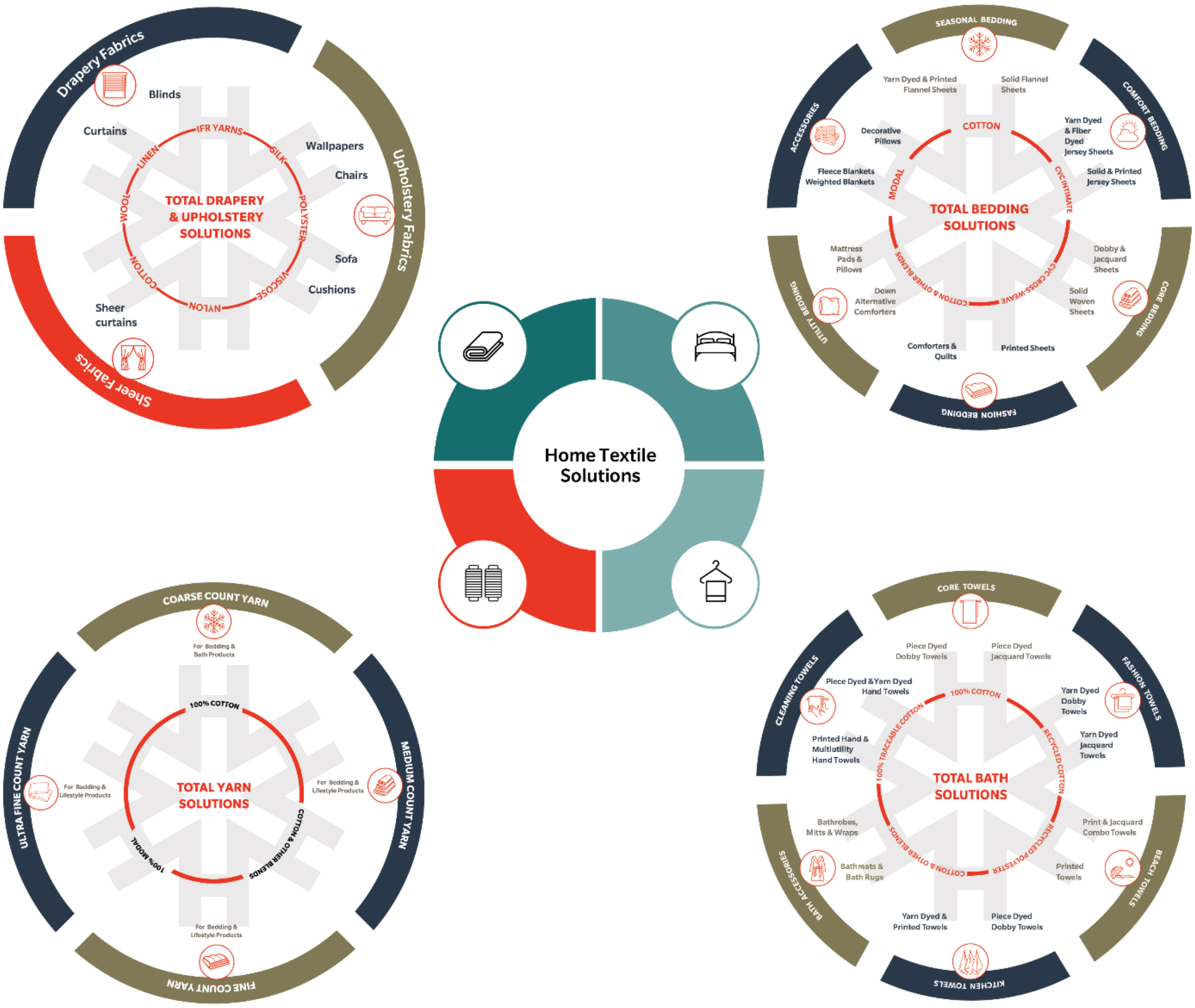


Figure 15 : Suite of Home Textile Solutions

Innovation is central to our product development philosophy and we lay a strong emphasis on R&D and the use of cutting-edge technology in the manufacturing process. We focus on innovation through product curation, packaging, supply chain enhancements and value-based customisation which enables supply of better value products spanning various markets, catering to the needs and habits of consumers across the globe. We focus on innovation through material and technique advancements, including the usage of fibres that are more sustainable or offer enhanced features, packaging and value-based customisation which enables supply of better value products spanning various markets, catering to the needs and habits of consumers across the globe. Our understanding of market trends and consumer preferences is pivotal in fostering innovation and thereby creating a strong pipeline of new products catering to diverse and dynamic market requirements. We own six patents in the United States of America for certain fitted mattress cover and ornamental design for fitted mattress cover. Home textiles is a specialized and challenging job work which requires adherence to stringent quality parameters and safety procedures. Our Company is equipped to cater to such requirements.

We have a future-forward, well recognized, domestic and global brand portfolio and successful partnerships with well-known international retail channels. We believe that we enhance the lives of millions around the world, across age groups, needs, lifestyles and aesthetic preferences. Our expansive portfolio includes products that celebrate convenience and everyday comfort, while also offering complete traceability and best-in-class functional attributes across good, better, and best category of products.

Strong management team and talent pool led by experienced Promoters

We are led by our Promoters, Dinesh Kumar Himatsingka (Executive Chairman) and Shrikant Himatsingka (Executive Vice Chairman and Managing Director). Both our Promoters have a strong track record, experience and deep expertise of the textiles industry. While Dinesh Himatsingka founded the company in 1985 and has spent 39 years with the company, Shrikant Himatsingka has been with the company for the period of 21 years.

We have always believed in creating strong talent pools and our senior management team bring with them experience and know-how with regard to the functions and/or responsibilities they have been entrusted with.

- Set out below is the list of our Senior Management Personnel and their experience:

- Akanksha Himatsingka- CEO – Home Textile Solutions has 12 years of experience in textile industry.
- M. Sankaranarayanan, President - Finance and Group CFO has over 13 years of experience in various disciplines of finance involving banking, accounting, audit, taxation and costing in power, hospitality, infrastructure and textile industry.
- Major (Retd.) Kumud Kumar, President - HR and Group CHRO has over 11 years of experience in human resources department in the steel, aluminium and textile industry.
- Manu Kapur, President - Business Development (Group) has several experience in various aspects of business development including strategy, client relations and sales.
- Ganapathy C. B., President - Corporate Affairs and Group General Counsel has several years of experience in corporate law, commercial law and corporate affairs.
- Jayshree Poddar- Creative Head – Design has 37 years of experience in textile industry.
- Hemant Khandelwal, Executive Vice President and Campus Head- Manufacturing Operations (Hassan) has experience in various facets of in various facets of the textile industry.
- Lakshman- Senior Vice President – Sourcing & Logistics (Group) has 20 years of experience in textile industry.
- Maria Alapatt- Vice President - Design & Marketing has 18 years of experience in textile industry.
- Bindu D- Assistant General Manager-Corporate Compliance, Company Secretary, and the Compliance Officer has several years of experience in the field of corporate compliance and company law related matters and handles secretarial compliance, enabling corporate finance, & due diligence work.

In addition to a strong management team, we have a mid and lower management team to ensure all functions across the value chain with optimal practices, system and standard operating procedures. We have always believed in creating a professional culture that fosters continuous improvement, accountability, and collaboration, enabling us to deliver on our values and vision.

Strong ESG commitment

We are committed to being a part of the global effort to create a more inclusive, fairer and greener world. We orient our strategies and efforts to ensure that we deliver on our ESG goals.

We are rapidly fine-tuning systems and practices that hold us accountable to our footprint and reflect measurable change. Our core ESG commitment is to close ‘the green gap’ at our workplace and make better lives possible for our people and the communities that surround us. Our focus will continue to be on integrating green initiatives, building sustainability into everything we do, and keeping our work environment safe, equitable and rewarding.

We are committed to building, developing and operating plants that maximize the green quotient and minimize carbon footprint. We believe our manufacturing facilities are on the path of becoming amongst the greenest manufacturing platforms in our industry globally. These initiatives will not only enable us to deliver a greener energy footprint but also aid in cost optimization measures.

Some of the key ESG initiatives undertaken by us, to date include:

- *Environment*:

  At Himatsingka, we believe in being an integral part of the global effort to create a greener and more sustainable world. We comprehend the implications that depleting natural resources and various forms of environmental degradation will have on social and business ecosystems. Embracing sustainability is at the core of our business and we are committed to taking every measure that will help make us be a more sustainable global enterprise.

Figure 16 : Our Environmental Goals

We believe in sustainable growth and are dedicated to fostering a greener future. Our commitment to environmental stewardship is reflected in our comprehensive efforts to reduce our ecological footprint. We focus on minimizing waste, maximizing resource efficiency, and transitioning to cleaner energy sources. By eliminating coal, utilizing biomass, and setting ambitious targets for renewable energy, we demonstrate our dedication to responsible energy consumption. Additionally, our initiatives in waste management, water recovery, and greenhouse gas emissions reduction showcase our proactive approach to sustainability. Our achievements, such as saving and repurposing waste, achieving high water recovery rates, and significantly reducing CO2 emissions, highlight our unwavering commitment to a sustainable and eco-friendly future.

- *Social*: In a rapidly changing social paradigm, organizations that are agile will forge deeper relationships within the workplace and communities outside. Aligned with our purpose of making better lives Possible, we are focused on our responsibility towards our people. At Himatsingka, we strive to create a diverse and inclusive workplace where everyone feels empowered to contribute to our open culture of innovation and entrepreneurship.

  Our community enhancement initiatives focus on programs that are positive, sustainable and impactful. Targeting underserved communities in and around Hassan, we continue to support them through multi-dimensional and integrated development projects, in education, health and livelihood enhancement.

- *Governance*: We are committed to exercising and maintaining strong corporate governance practices and policies that strengthen Board and management accountability and promote the long-term interests of our shareholders. We are led by our Promoters, Dinesh Kumar Himatsingka (Executive Chairman) and Shrikant Himatsingka (Executive Vice Chairman and Managing Director). Both promoters have a strong track record, experience and deep expertise in the home textiles industry.

  Our dynamic, experienced, active, and independent-minded Board bring with them their expertise and know-how from various industrial and service sectors which helps provide valuable oversight of management, risk, and overall strategic direction. The group is continuously building on its existing processes, policies and framework to achieve high standard of governance in all spheres of its business.

Figure 17 : Our Purpose, Values and Vision

Our training programs, combined with robust internal monitoring and auditing systems, equip us with the frameworks necessary to achieve our governance goals. These practices ensure that we operate transparently and responsibly, aligning with our commitment to good corporate governance and the interests of all our stakeholders.

STRATEGIES

Enhancing capacity utilisation levels

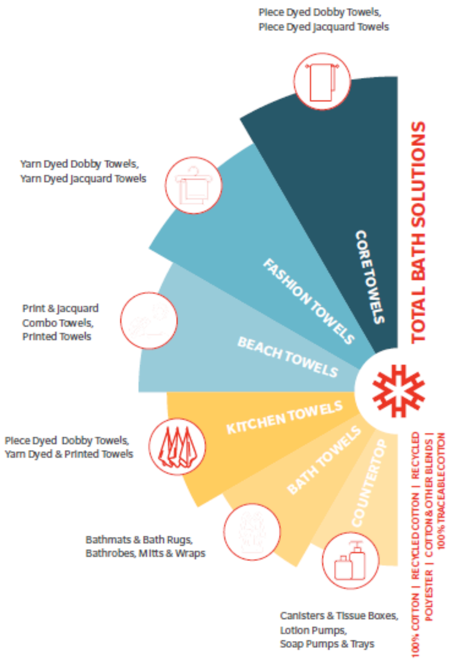
We are focused on maximizing asset and capacity utilization levels across our facilities. Our manufacturing facilities are currently running at capacity utilization levels of approximately % as of March 31, 2024. We have latent capacity to utilize across our sheeting and terry towel plants, therefore our focus will be on enhancing utilization levels to drive the financial and operating performance of the company. Our present capacity utilization levels are as follows:

Capacity Utilization	Fiscal 2022	Fiscal 2023	Fiscal 2024	Three months ended June 30, 2024
Spinning Plant	95%	80%	93%	99%
Sheeting Plant	80%	57%	67%	66%
Terry Towel Plant	70%	60%	67%	67%
Drapery and Upholstery Plant	55%	52%	55%	26%

We believe that enhancing capacity utilization levels will enable us to optimize our financial and operating performance and maximize capital efficiencies as all our major capital expenditure outlays have been concluded. Our strong global client networks, presence across channels, diversified product portfolio and our reach across major markets will drive our capacity utilization levels going forward.

Continuously improving and upgrading our product category assortments

We endeavour to stay current and relevant to our global clients by offering a comprehensive suite of products that add value to their retail assortments. Our global clients work towards their product assortments and merchandise mix to stay current and competitive. As total solution providers in home textile space, we continue to strengthen our presence across consumer-facing retail shelves, globally. We believe that this will enhance revenue streams and de-risk our business model. We have made significant progress in broadening our product assortments across all categories of bedding, bath and drapery & upholstery and believe our robust portfolios will aid in expanding our client base and diversifying our global market presence. In recent times we have introduced the category of "Comfort Bedding" where we use knitted fabrics instead of woven fabrics to produce Bedding Products. These products were inspired by the athleisure and innerwear categories in the apparel world. The idea was to create Bedding Products that are as comfortable and relaxing as innerwear. This product category was targeted for Gen-Z consumers across key markets. We operate amongst the largest capacities in India in this category of product.



We are in the cotton track and trace space, offering complete traceability solutions for a suite of cotton products. We provide complete traceability solutions for a suite of cotton products with the assurance that our cotton is not blended. We use licensed and patent protected DNA Tagging Technology that enables us to test and track cotton through its journey from farm to shelf. Himatsingka's traceable and globally marketed cotton brand portfolio comprising PimaCott®, HomeGrown Cotton®, Organicott® and Gizacott® are available across a full range of bedding, bath, and other textile products. Our traceable solutions portfolio continues to be well received across markets. This traceable products portfolio has also been well received and illustrates how differentiated product assortment and capabilities resonate with global audiences.

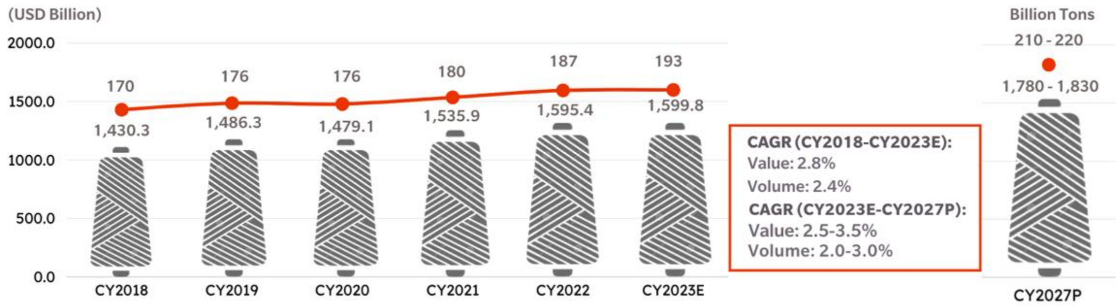
Expanding our global client base

As an integrated business, we manufacture and distribute our suite of home textile products across markets worldwide. Our distribution capabilities are powered by strong brand (owned and licensed) and private label portfolios that service over 117 export clients across 35 countries worldwide. Our international network of sales offices (India, and USA) and warehousing facilities (India and USA) assist us in driving sales, provide after-sales services and enable supply chain support for client requirements across key markets.

Figure 18 : Servicing Clients across 35 Countries

We have reach with global retailers across key markets, formats and channels. We service these retailers for their private label requirements across various categories of soft home products (Bedding Products, Bath Products and Drapery and Upholstery Products). Through our global networks we cater to global retailers including certain Fortune 500 companies and service a global client base across various retail formats and channels including hyper markets, departmental stores, speciality stores, off-price retailers, importers, multi-brand outlets and e-commerce platforms amongst other formats.

Globally, the demand for textile and apparel products continue to rise, supported by expanding target audiences, increasing incomes, growing urbanization and enhanced emphasis on home décor, living spaces, and healthier lifestyle. By leveraging our global networks, we aim to expand our global client networks across key markets. The global textile and the apparel industry is expected to grow at a CAGR of 2.5 - 3.5% between CY2023 to CY2027 to reach USD 1,780-1,830 billion in CY2027 (*Source: CRISIL Report*)



Expanding global footprint across countries and enhancing India presence

We remain focused on strengthening our global market footprint to enhance capacity utilization levels and to broad base our revenue streams. While North America is our largest market, we have consistently increased our market share in the United Kingdom, EMEA (Europe, Middle East and Africa), India and other APAC regions. We continue to add clients across Europe, the Middle East, Asia Pacific & India and are working towards strengthening our market share in these territories in order to broad base revenue streams across regions.

For the last few years, we have been focused on expanding international client networks and global reach. However, while we continue to focus on our global presence, we will prioritize ramping up our presence in the Indian market as well. We believe India is a major market for our products and is capable of contributing a significant share of our total revenue going forward. The global market for home textiles is expected to have robust growth, driven by rapid urbanization, declining raw material prices, increasing population, growing demand from healthcare and hospitality industry, increasing disposable incomes, and changing consumer lifestyles. [(*Source: CRISIL Report*)]

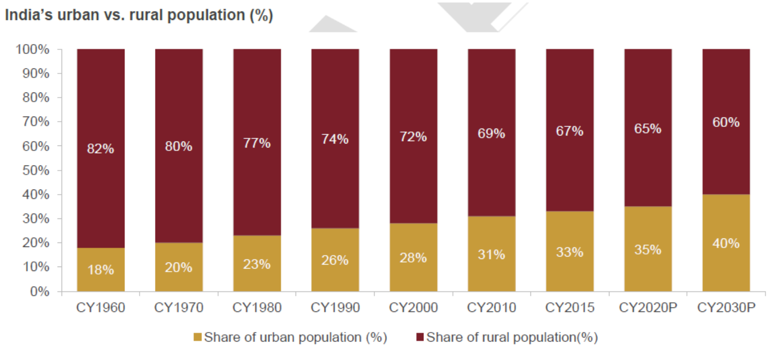


Figure 19 : Indian Market Rural vs Urban Population (Source - CRISIL Industry Report)

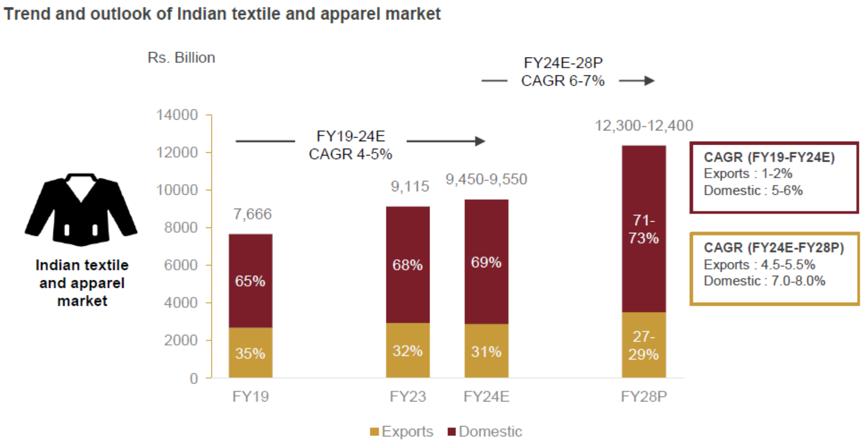


Figure 20 : Indian Market Size (Source - CRISIL Industry Report)

As of June 30, 2024, we operate in the Indian market with three brands (Himêya, Atmosphere and Liv) across retail formats including MBOs, department stores, e-commerce platforms, hypermarkets and hotels. We have reached 2,286 touchpoints and 417 cities as of June 30, 2024. In addition to our brands, we also service private label requirements of various retailers and institutional players across the country.

Figure 21 : Our Brand Presence in India

Enhancing channel depth and reach

We presently reach consumers across markets through our global client base across various retail formats and channels including hyper markets, departmental stores, discount retailers, clubs, importers, multi-brand outlets and e-commerce platforms, amongst other channels.

With a broad channel assortment prevalent globally, we intend to deepen our presence across each of these channels, in order to effectively reach more consumers globally. We are strengthening our presence across channels will be pivotal in enhancing global market share.

To enhance our presence on e-commerce channels, we are actively developing new product assortments that will have an exclusive e-commerce presence and aid us in differentiating our products on the various e-commerce platforms globally. We are also leveraging supply chain capabilities to ensure quick deliveries in certain jurisdictions which is imperative for driving business on e-commerce platforms. We are currently present in over 9 e-commerce platforms globally and working on enhancing our presence going forward.

On the MBO front, our brands are currently present in approximately 2,286 MBO's spread over 417 cities and 26 states in India. With the enhancement of our product, category assortments and strong distributor networks, we are working to substantially increase our presence in multi brand outlets across India.

Figure 22 : Global Multi Channel Presence

In addition to the above, we consistently are working to enhance our presence across other channels both, in India and in key markets internationally. We believe an omnichannel presence will strengthen out vertically integrated business model and position us as a preferred supplier for the increasingly competitive, dynamic and ever evolving retail universe.

Strengthening our financial position, sweat assets and deleveraging the balance and limiting interest burden on cashflows

We are poised to reinforce our long-term financial stability by strengthening our balance sheet with additional equity, improving debt to equity ratio, optimizing working capital cycles, explore divestment of some non-core assets and driving our financial performance by sweating assets.

We are committed to strengthening our financial position by enhancing our capacity utilization levels and operational efficiencies to optimize our financial performance. Through sustained investments in automation, process engineering and infrastructure, we have positioned ourselves to be technology driven and will leverage our advanced technology platforms to drive sustained financial performance. Having developed a strong infrastructure setup, we are capable of enhancing capacities at incremental costs, thereby, potentially being able to tap global demand requirements.

Creating sustainable manufacturing platforms

We are deeply committed to the global effort to create a more inclusive, fairer, and greener world by integrating sustainability into every aspect of our operations. Our strategy focuses on building sustainable manufacturing platforms that minimize our environmental footprint while promoting resource efficiency and responsible energy consumption. By embracing green initiatives and continuously improving our practices, we aim to reduce waste, conserve water, and lower greenhouse gas emissions across our operations.

A key element of our sustainability strategy is tapping into cleaner and more sustainable energy sources and therefore, reducing our consumption of thermal energy using coal. To avail benefits under Group Captive Scheme offered by Karnataka Government, we have entered into power purchase agreements with power producers having a term of 25 years. With the substantial enhancement of our green footprint, we will not only make significant progress on our ESG goals but also drive significant cost benefits to our operating performance having rationalized energy costs with these initiatives.

OUR BUSINESS

MANUFACTURING FACILITIES

We operate four integrated manufacturing facilities spread over 393.38 acres in two campuses located in the state of Karnataka, India. Our 366.61 acre campus in Hassan, Karnataka houses three manufacturing plants which are integrated Spinning Plant, integrated Terry Towel Plant and integrated Sheeting Plant. Our 26.76-acre campus in Doddaballapur, Karnataka houses one manufacturing plant which is our integrated Drapery and Upholstery Plant.

We believe that our manufacturing platforms epitomize scale, flexibility, efficiencies, technology, and digitization. Our integrated manufacturing facilities produces a comprehensive suite of home textile products for our global client base who cater to a diverse cross section of consumer audiences worldwide. Our manufacturing capacity matrix as of June 30, 2024, comprises the following:

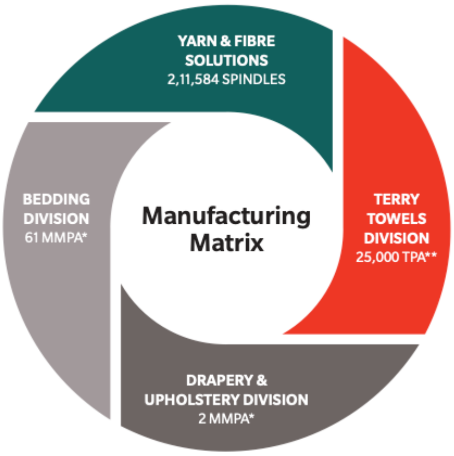


Figure 23 : Manufacturing Capacity Matrix
*** MMPA refers to million meters per annum.*
**TPA refers to tonnes per annum.*

Details of our manufacturing plants are set out below:

A. Integrated Cotton Spinning Plant

Located at our 366.61-acre campus at Hassan, Karnataka, we operate we are amongst the top five companies in India in terms of cotton spinning capacity under one roof globally with an installed capacity of 211,584 Spindles as of June 30, 2024. The Spinning Plant is equipped with advanced technology platforms from global technology leaders in spinning equipment and is capable of producing a broad cross-section of cotton yarn products under one roof. Our integrated Cotton Spinning Plant epitomises efficiencies, global scale and digitization. We believe, this captive Spinning Plant strengthens our vertically integrated operation and ensures availability of yarn that our downstream plants require.

Our blowroom and carding section is sourced from Germany, and our preparatory section is equipped with machines from Switzerland and Italy. Our ring frame section is equipped with compact ring frames from Switzerland and our post spinning winding section is equipped with link coners from Germany. In addition, our quality assurance is powered by a vendor situated in Switzerland and our humidification plants are from Switzerland.

Figure 24 : Integrated Spinning Plant located at Hassan, Karnataka, India

B. Integrated Sheeting Plant

Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of Bedding Products with a manufacturing of 61 MMPA as of June 30, 2024. The integrated Sheeting Plant is capable of producing a comprehensive suite of Bedding Products that include core bedding, fashion bedding, utility bedding, comfort bedding and seasonal bedding. This ability to produce a broad cross-section of products makes our Sheeting Plant capable in catering to the dynamic and ever-changing preferences of global retailers. Our integrated Sheeting Plant is equipped with advanced technology platforms across the entire value chain the plant operates in. The integrated plant has weaving preparatory, weaving, processing, sewing and cutting-edge quality management capabilities.

On the weaving preparatory and weaving front, our technology is from Switzerland, Germany and Belgium. On the processing front, our equipment is from global technology leaders from Germany, Switzerland and Italy among others. Our sewing shop floors are equipped with automatic conveyer systems from Spain.

C. Integrated Terry Towel Plant

Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of terry towel manufacturing capacity of 25,000 TPA as of June 30, 2024. The integrated terry towel plant is capable of producing a comprehensive suite of Bath Products that include core towels, fashion towels, beach towels, kitchen towels, cleaning towels, seasonal towels, bath robes and accessories among other products. This ability to produce a broad cross-section of Bath Products makes our Terry Towel Plant capable in catering to the dynamic and ever-changing preferences of global retailers. Our integrated plant is equipped with advanced technology platforms from global technology leaders across the entire value chain it operates in. The integrated Terry Towel Plant has weaving preparatory, weaving, processing, sewing and cutting-edge quality management capabilities.

On the weaving preparatory and weaving front, our technology is from Switzerland, and Japan. On the processing front, our equipment is from Switzerland, Germany, Germany, Austria and Italy. Our advanced shopfloor for producing finished products are equipped with technology from Germany.

D. Drapery & Upholstery Plant

Located at our 26.76 acre campus at Doddaballapur, Karnataka, in terms of Drapery and Upholstery Products, we have an installed capacity of 2 MMPA as of June 30, 2024. The integrated Drapery and Upholstery Plant is capable of producing a comprehensive suite of Drapery and Upholstery Products to cater to luxury soft home brands across the globe. Our integrated plant is equipped with advanced technology platforms across the entire value chain the plant operates in. The integrated Drapery and Upholstery Plant is equipped with weaving preparatory, weaving, processing, sewing and cutting-edge quality management capabilities.

On the weaving preparatory and weaving front, our technology is from Switzerland, Germany. On the processing front, our equipment is from global technology leaders such as Italy and Germany.

MANUFACTURING PROCESSES

Value Chain - Cotton Spinning Plant

The cotton spinning value chain comprises of 12 steps from the receipt of raw cotton to the dispatch of finished cotton yarn for downstream requirements. The process of manufacturing combed compact ring spun cotton yarn has been set out below:

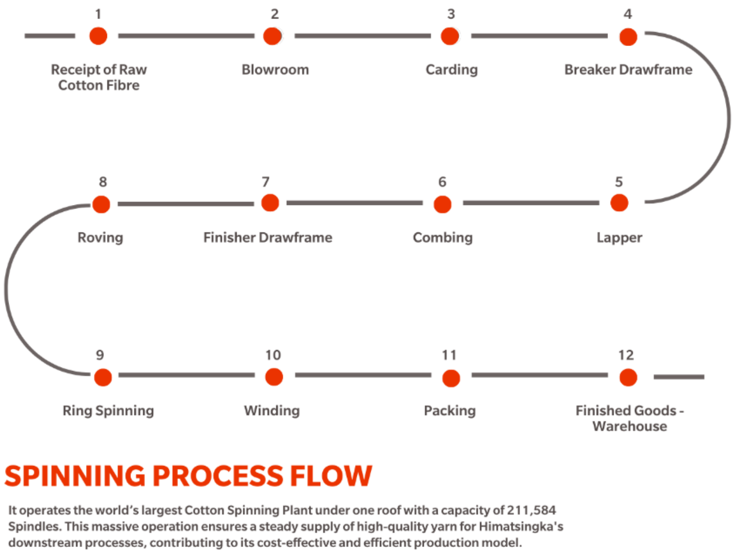


Figure 25 : Spinning Process Flow

<u>Blow Room</u>

Blendomat is the first machine in the spinning process. It takes cotton from several bales arranged in a line and subsequently feeds it into the blow room machines.

<u>Carding</u>

Carding is the process of opening the tufts into individual fibres, elimination of impurities left after Blow room, removal of neps, parallelizing and stretching of the fibre and transformation of tuft into a sliver i.e. into a regular mass of untwisted fibre.

<u>Breaker Draw Frame</u>

Breaker drawing is the process for improving the evenness of slivers received from the carding machines. In this process, 5 to 8 nos of slivers are doubled and drafted. This makes the final sliver uniform and the fibres parallel.

<u>Lap Former</u>

For combed counts, as the sliver has to be transformed as lap for combing, it is being done in two machines. Previously card slivers are processed through sliver lap and ribbon lap. Post this, the card slivers are fed through breaker draw frame and unilap. These machines are called comber preparatory which prepares a cotton sheet and are rolled into a lap which is fed to comber.

<u>Comber</u>

This process is introduced into the spinning of finer and high quality yarns from cotton. The objectives of comber are to remove short fibres, eliminate remaining impurities and eliminate large proportion of the neps in the fibre.

<u>Speed Frame</u>

The product delivered by speed frame machines is called roving. Roving is a fibre strand much thinner than a sliver. It also has a small twist to keep fibres together. It is wound on a package which is suitable for feeding Ring frame machine. Bobbins transported to ring frame thru by BTS automatically.

<u>Finisher Draw Frame</u>

This is the machine on which drafting and doubling are carried out. The tasks of draw frame is to equalize the slivers made from comber, parallelise and blend the slivers, if required.

<u>Ring Frame</u>

The ring frame machine is key functional element from where yarn in coming out. The functions of ring frame are to draft the roving to make desired fineness of yarn, to twist the drafted strand to form yarn of required count and strength, for winding the twisted yarn on to the bobbin for suitable storage, transportation and further processing.

<u>Link Coner</u>

This is the final stage in spinning. Yarn winding is a packaging process, forming a link between the last elements of yarn manufacturing and the first element of fabric manufacturing process. Apart from that, modern winding machine has the capability to clear all defects in yarn during spinning.

<u>Automatic Cone Packing</u>

Automatic cone transporting system (CTS) is used in this process wherein all cones taken from link coner to packing without manual operation. Totally 26 conveyor belts are available to accommodate different counts and verities.

Value Chain - Sheeting Manufacturing

The Sheeting value chain comprises of 21 steps from the receipt of Yarn to dispatching of finished goods from the plant. The process of manufacturing various type of Sheeting Products has been set out below:

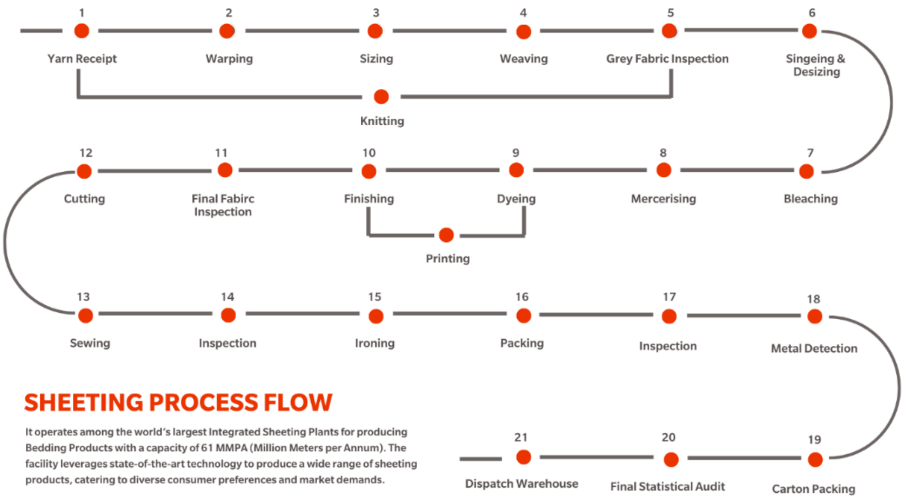


Figure 26 : Sheeting Process Flow

<u>Warping</u>

High speed warping is also called beam warping/direct warping. In high-speed warping, the yarn is wound parallel on the warping beam. All the yarns are wound at once and simple flanged beam is used. It is a very high speed process and is used for making fabric of single colour.

<u>Sizing</u>

Size is a gelatinous film forming substance in solution or dispersion form, applied normally to warp yarns. It can sometimes be applied to weft yarns. Sizing is the process of applying the size material on yarn. A generic term for compounds that are applied to warp yarn to bind the fiber together and stiffen the yarn to provide abrasion resistance during weaving.

<u>Weaving</u>

Weaving is the process in which two distinct sets of yarns or threads are interlaced at right angles to form a fabric or cloth. The longitudinal threads are called the warp and the lateral threads are the weft or filling.

<u>Singeing and Desizing</u>

Singeing is a process to remove the protruding fibres from the fabrics to make the fabric smoother. Desizing is a process to remove the size materials that is applied on weaving to improve weave ability.

<u>Scouring</u>

Scoring is the process to remove soluble and insoluble impurities found in textiles as natural, added and adventitious impurities.

<u>Fabric Bleaching</u>

Bleaching is the process of decolorization of raw textile material by removing inherent and or acquired coloring components from the fiber.

<u>Fabric Mercerizing</u>

In this process, a chemical treatment is applied to cotton fibres or fabrics to permanently impart a greater affinity for dyes and various chemical finishes. Mercerizing also gives cotton cloth increased tensile strength, greater absorptive properties, and, usually, a high degree of lustre. The treatment consists of immersing the yarn or fibre in a solution of sodium hydroxide (caustic soda) for short periods of time.

Pad Drying

Pad-Steam dyeing is a process of continuous dyeing in which the fabric in open width is padded with dyestuff and is then steamed. Pad steam is an ideal machine for reactive dyeing of cotton and its blended fabrics. Light, pale and medium shades can be dyed in this machine. Fabric is first padded in a padder with reactive dye in presence of an alkali. Padded fabric is then passed through a squeezing roller into a dryer. During drying due to higher temperature fixation of dye in fibre increases and at the same time water is removed by evaporation.

Fabric Printing

Fabric printing can be done using a digital printing technology. Digital fabric printers are compact, giving options of millions of colors to choose from, and the possibility of unique design, every time. It is able to meet short-runs, faster turnaround, and higher standards of quality, giving customers the flexibility to bring ideas faster to the market.

Finishing line – Loop Ager

Loop ager is the process that fixes colours on printed cloth by means of placing the cloth inside a chamber full of steam and suitably controlled temperature and for a present period of time.

Finishing line – Stenter Machine

Stenter machine process is to bring the length and width to pre-determined dimensions and for heat setting. It is used for applying finishing chemicals and shade variation is adjusted. The main function of the stenter is to stretch the fabric widthwise and to recover the uniform width.

Finishing line – Saforiser Machine

It is a method of stretching, shrinking and fixing the woven cloth in both length and width before cutting and producing, to reduce the shrinkage which would otherwise occur after washing.

Finishing line – Calendering Machine

Calendaring is a high-speed ironing process that primarily imparts luster and is usually the final treatment for the fabrics in the finishing sequence. The basic principle of calendaring is to expose the cloth to the combined effect of moisture, heat and pressure until the fabric acquires a very smooth and light reflecting surface and gets a good luster.

Final fabric inspection

Final fabric inspection is the process which involves the inspection to check the fabric for its defects and the packaging for costumers.

Cutting

Cutting is the process that involves the trimming of fabric as per the required shape and size. After this, the fabric spreading will happen in multiple layers on the cutting table and marking will happen as per the required shape and size. After fabric laying and marking, fabric will cut by the help of fabric cutting machine.

Sewing

Sewing is the process of joining the various cut panels to make the fabric to the required size and shape like flat sheet, fitted sheet, pillow pairs, etc. This process will follow the predefined sewing process using various sewing machines as per the required stitching quality.

Ironing

Ironing is the process after inspection which involves ironing the goods to make it appear smooth and folding it as per the buyer's requirement.

Packing

Packing is the process that involves packing the goods either in poly bags or fabric bags post the completion of ironing, as per the buyer's requirement, along with other accessories.

Metal Detection

Metal detection is the process through which all the goods pass through the metal detector to ensure metal that free goods are getting dispatched.

Finished Goods Storage

After final statistical audit, the carton packed goods are stored in the warehouse racks.

Value Chain- Terry Manufacturing

The Terry value chain comprises of 18 steps from the receipt of Yarn to the dispatch of finished goods from the plant. The process of manufacturing various type of Terry Products has been set out below:

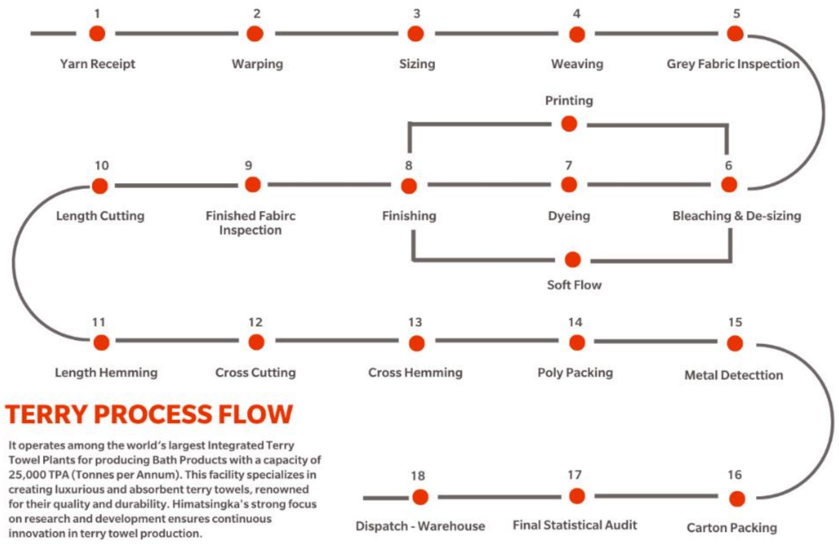


Figure 27 : Terry Process Flow

The terry pile is a warp pile structure that has loops on its surface that are formed by certain warp ends. The fabric consists of one series of weft thread and two series of warp threads, the ground, and the pile. The ground and the pile threads are separately beamed and tensioned. The former produces weft, the ground cloth from which the loops produced by pile warps are projected. The loops may be formed on one side or on both sides of the cloth.

Warping

High speed warping is also called beam warping/direct warping. In high-speed warping, the yarn is wound parallel on the warping beam. All the yarns are wound at once and simple flanged beam is used. It is a very high speed process and is used for making fabric of single colour.

Sectional Warping

In sectional warping, equal length of yarn is first wound in small sections or sheets on a drum. Post which, from the drum it is transferred to the beam. By this process, the weavers beam is received. This is a two-stage method and is used for making fancy fabrics.

Sizing

Size is a gelatinous film forming substance in solution or dispersion form, applied normally to warp yarns. It can sometimes be applied to weft yarns. Sizing is the process of applying the size material on yarn. It is a generic term for compounds that are applied to warp yarn to bind the fiber together and stiffen the yarn to provide abrasion resistance during weaving.

Weaving

Weaving is the process wherein for weaving of terry cloth two warp beams are used. One beam forms the base of the fabric also known as ground warp, another beam is the top beam or pile warp which forms the loop in the fabric. Commercially 3 pick terry is most widely used where after each 3-weft insertion full beat-up is made and one loop pile is formed of the fabric. For jacquard looms, jacquard devices are fitted and synchronized with airjet looms. This machine is used for complex pattern as barcode, floral and multi weaves.

Pre-treatment range

Natural fibers and synthetic fibers contain primary impurities that are contained naturally, and secondary impurities that are added during spinning, knitting and weaving processes. Textile pretreatment is the series of cleaning operations. All impurities which cause adverse effect during dyeing and printing are removed in pretreatment process.

Continuous dyeing range (CDR)

Pad-Steam dyeing is a process of continuous dyeing in which the fabric in open width is padded with dyestuff and is then steamed.

Soft Flow

The primary objective of this machine is to biopolish, desize, bleaching & dyeing in batch form.

Flat Bed Printing

Flatbed screen printing machine used to transfer ink onto a flat substrate surface. Once the item to be printed is in place, the machine uses a squeegee to press the ink through the print to leave the design on the piece placed on the flatbed screen printing machine.

Finishing line Loop ageing

The primary objectives of ageing include development and fixation of dyes and colours. The treatment takes place in a chamber supplied with saturated steam at atmosphere temperature.

Finishing Line (Tumble Drier)

The primary objective of this machine is to dry the towel by blowing hot air inside the chambers in towel relax form.

Finishing Line (Stenter)

The purpose of the stenter machine is to bring the length and width to predetermined dimensions and for heat setting. The main function of the stenter is to stretch the fabric widthwise and to recover the uniform width.

Making up- Automatic Length Cutting

This machine is used to cut/slit the towel batch coming from the processing. This is the first process in Made up. In this machine, towel slitting will be done longitudinally/lengthwise.

Making up- Automatic Length Hemming

After length cutting, the towel will go through length hemming machine where the stitching will happen on both side of the towel, length wise.

Making up – Automatic Cross cutting & Hemming.

After length hemming, towels are fed through automatic cutting and stitching machine where the towels will be cut and stitched width wise.

Making up – Cross cutting and Manual Stitching

In manual stitching method, after length hemming, towels are fed through manual/automatic cross cutting machine. After cross cutting, towels are fed through manual stitching machines.

Poly Packing

After cross hemming, the towels get packed in poly bags as per the buyer's requirement basis colour, size and number of towels in each poly bag.

Metal Detection
After packing, all the goods pass through the metal detector to ensure that metal free goods are getting dispatched.

Dispatch Warehouse

After final statistical audit, the carton packed goods are stored in the warehouse racks.

OUR PRODUCTS

We are amongst the largest Indian manufacturers of home textile solutions encompassing Bedding Products, Bath Products, and cotton yarn products. We produce a comprehensive suite of products that span the entire spectrum of price points, specifications and categories. Our product portfolios are as follows:

A. Total Bath Solutions

We have amongst the largest integrated terry towel plants, in India, for producing a suite of Bath Products with an installed capacity of 25,000 MMPA. Our bath solutions can be classified as follows:

- **Core Towels**: Core Towels are plain piece dyed towels or jacquard piece dyed towels for everyday use. They are typically available in Bath Sheet, Bath, Hand and Wash sizes.

- **Fashion Towels**: Fashion Towels are more embellished and complex ranges of towels using yarn dyed jacquard platforms, printed platforms and a variety of towel constructions in order to differentiate it from regular core towels. They are typically available in Bath Sheet, Bath, Hand and Wash sizes.

- **Kitchen Towels**: The Kitchen Towels are solid, yarn dyed and printed towels that are typically cost effective light weight product for kitchen applications. These towels are typically in smaller sizes.

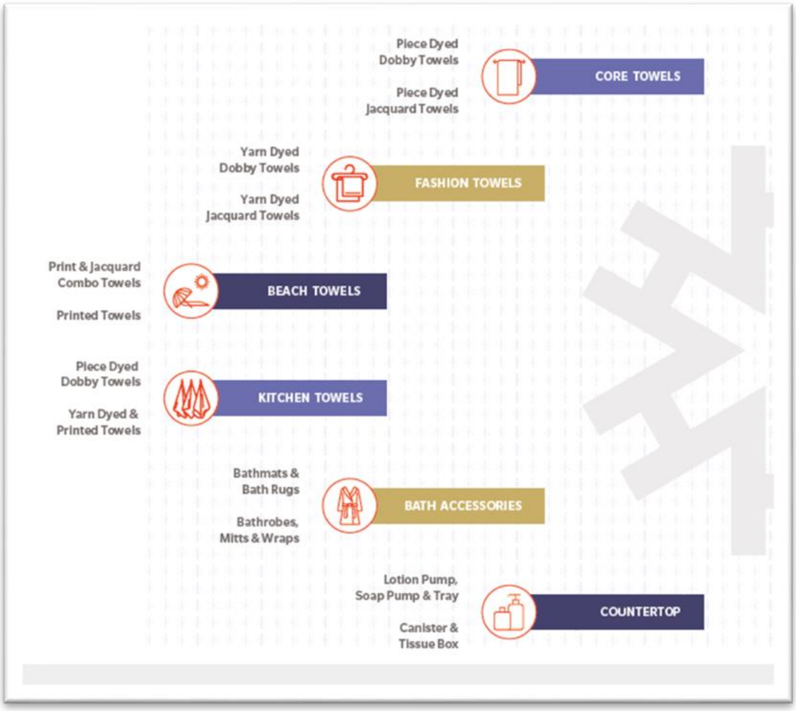


Figure 28 : Total Bath Solutions

- **Beach Towels:** Beach Towel are seasonal towels that are vibrant and colourful as they have been designed for beach applications. They are typically either yarn dyed jacquards or printed towels and are usually sold in large sizes.

- **Bath Accessories:** Bathmats and Rugs are heavier versions of terry towel product that are suitable for floor applications. Bathrobes and other bath accessories are typically made using terry towel fabric constructions for their absorbency and comfort. Bathrobes are typically available in several sizes and are used as a post shower garment or other similar applications.

- **Hospitality Towels**: Hospitality towels are high quality, durable towels used in hotels to provide a luxurious guest experience and endure frequent laundering.

- **Cleaning Towels:** Cleaning Towels are piece dyed plain towels that are typically used for various daily cleaning applications. These towels are very cost-effective small size towels with high frequency usage and short life cycles.

B. Total Bedding Solutions

We have amongst the largest integrated sheeting plants, in India, for producing a suite of Bedding Products with an installed capacity of 61 MMPA. Our bedding solutions can be classified as follows:

- **Core Bedding:** The Core Bedding category comprises of sheets in various thread counts, constructions and qualities for everyday use. The sheets are typically piece dyed solid colour sheets but can also be printed, dobby and jacquard sheets. These products are typically available in Twin, Full, Queen, King and Cal King sizes across major markets.

- **Fashion Bedding:** The Fashion Bedding category is more embellished and complex range as compared to sheets from the core bedding range. These products typically use printing for surface embellishment and appeal. These products are typically available in Twin, Full, Queen, King and Cal King sizes across major markets.

- **Comfort Bedding:** The Comfort Bedding category is made from knitted fabric versus woven fabric for the other ranges of products. The comfort category is designed to be casual, comfortable and relaxed. These products are typically available in Twin, Full, Queen, King and Cal King sizes across major markets.

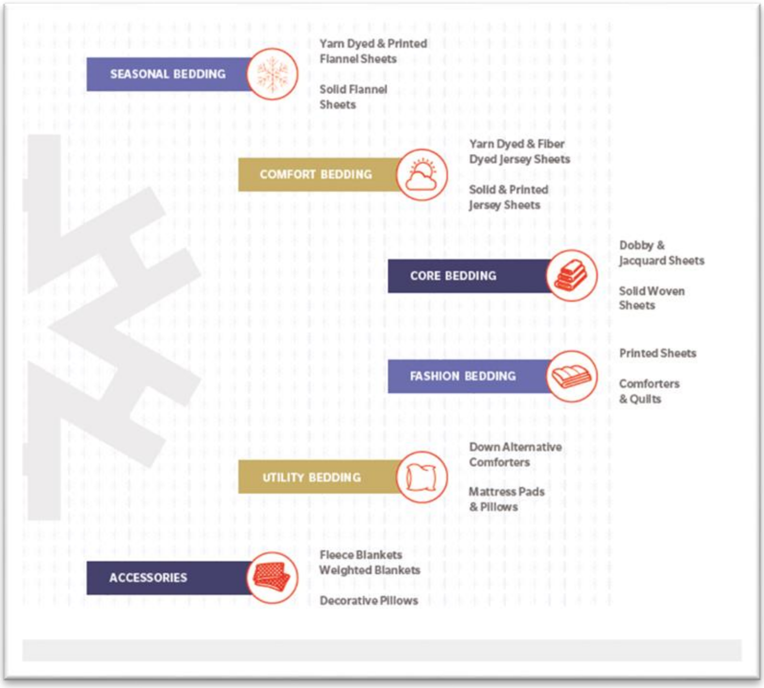


Figure 29 : Total Bedding Solutions

- **Seasonal Bedding:** The Seasonal Bedding category consists of flannel product that is much heavier than the other bedding categories above. This category caters to winter requirements as it is brushed to provide warmth when used. These products are typically available in Twin, Full, Queen, King and Cal King sizes across major markets.

- **Utility Bedding:** The Utility Bedding category include pillows, mattress pads, and down alternative comforters for daily utility use and applications.

- **Bedding Accessories:** Bedding accessories enhance the comfort and aesthetic of your sleep space, providing extra warmth, support, and style to your bedding setup.

Total Yarn Solutions

We have amongst the largest integrated Spinning Plants, in India, for producing a suite of yarn products with an installed capacity of 211,584 Spindles. Our portfolio of Yarn Products can be classified as follows:

- **Coarse Count Yarn:** The Coarse Count Yarn products are typically yarn whose count specification is between 1/10's Ne to 1/30's Ne.

- **Medium Count Yarn:** The Medium Count Yarn products are typically yarn whose count specification is between 1/30's Ne to 1/60's Ne

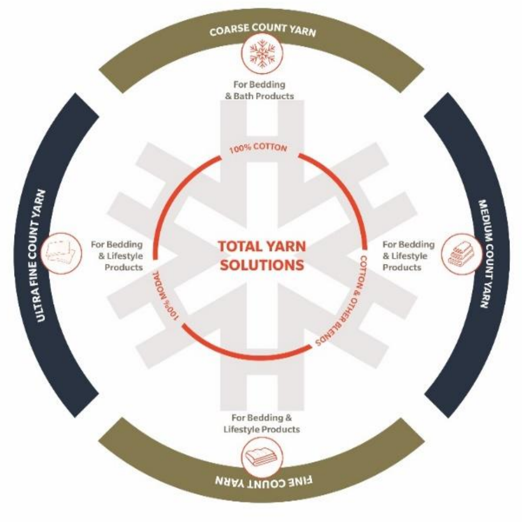


Figure 30 : total yarn Solutions

- **Fine Count Yarn:** The Fine Count Yarn products are typically yarn whose count specification is between 1/60's Ne to 1/80's Ne.

- **Ultra Fine Count Yarn:** The Ultra Fine Count Yarn products are typically yarn whose count specification is above 1/80's Ne.

OUR BRANDS

We forensically tag special varietals of cotton to secure provenance and traceability across the value chain.

Our brands centring around traceability include:

Brands	**Details**
PIMACOTT	Pimacott® is pure Pima cotton. Our tracking system monitors our Pima from the farm to the store. This ensures it's never blended or diluted and is premium Pima cotton quality.
ORGANICOTT	Our Organicott® range is made of organically grown cotton.
GIZACOTT	Gizacott® is made of pure Egyptian cotton.
HOMEGROWN	HomeGrown® cotton is grown, harvested and ginned on farms across the United States' cotton belt.

Our description of our own brands is set out below:

Brand	**Particulars**
Himeya	Himeya is our premium home textile brand, which offers a range of bed and Bath Products.
Bellora	Bellora is our luxury bed linen offering using natural fibre like Egyptian cotton.
Atmosphere	Atmosphere is our premier upholstery and drapery solutions.
Liv	Liv is a brand of bath and Bedding Products.

Quality assurance and certifications

We believe in adhering to the highest standards of quality for our products, by having a well-defined quality management system. Our effort in bringing highs standards of quality is demonstrated by our adherence to ISO 9001 Quality Management Systems since 2015.

We believe that maintaining a high standard of quality of our products and our manufacturing facilities is critical to our growth. We exercise stringent prevention-based quality assurance checks consisting of incoming, process and outgoing quality assurance. Over a period of time, we have developed robust testing and quality assurance procedures which are imbibed in our employees through a quality system manual, which is updated from time to time to keep pace with changing standards, regulations, technological advancements and basis specific requirements of the customers. We implement measures for all such needs by either of objectives, control procedures, monitoring methods, training, orientation initiatives, participation, consultation, and programs.

In addition, our manufacturing facilities are subject to compliance audits in relation to quality management by third party agencies appointed by our customers. We have put in place quality systems that cover all areas of our business processes from manufacturing to product delivery for ensuring consistent quality, efficacy, and safety of our products. Various in-process quality checks are performed to monitor product quality during the manufacturing process. We believe that provision of high-quality products is a key differentiator in our business, critical to our continued success and the maintenance of long-term relationships with key customers.

The quality of our products is of significant importance to our business, and we believe in adhering to the prescribed standards of quality for our products. We ensure that our products undergo rigorous quality checks throughout the entire production chain to ensure that optimum standard requirements expected by our customers are continuously met.

We maintain Global Recycled Standard ("**GRS**"), Recycled Claim Standard ("**RCS**") and Organic Content Standard ("**OCS**") as certified by the quality standard bodies. We maintain labour standards, health and safety standards, environment standards and business ethics. We utilise the HIGGs index to measure and grow its sustainability practice.

Research and development

We place significant importance on research and development activities as we believe they are crucial for our future growth. Our product development efforts are driven by the requirements of our customers, and we regularly monitor industry trends to ensure our products and production techniques remain relevant given the evolving market and customer demands. We believe that our product development efforts enable us to fulfill evolving demands of the consumers whether it be through development of smart textiles, initiatives in the sustainable textile space or superior-performance fabrics.

Our product development team has been instrumental in aiding our Company in reducing costs by developing new fibre composition and different finish combinations to offer new products to the customers in international and domestic markets, improving the quality of existing products, and developing new processes. For instance, through our product development efforts, we have formulated a dope dying method wherein the fibre is dyed water-free. Through this method, we are able to save 4.0 gallons of water per bath towel and 16.5 gallons of water per queen sheet set. In textiles, processing (dyeing) is considered to be the polluting process, however, with dope dying this issue is substantially reduced and since dope dying is carried out with 100% renewable energy, we save are able to reduce GHG emission.

Sales, marketing and distribution

We have a dedicated sales force as well as a marketing team, which coordinates corporate-level branding efforts that range from organizing programming competitions to participation in and hosting of industry conferences and events. Our sales and marketing team, which comprises 62 employees as on June 30, 2024, is managed by our marketing head. Our sales and marketing team focuses on developing customer relationships, acquiring new contracts for development and manufacturing, identifying new customers, and generating business opportunities. We have sales and support services in 3 countries namely, US, UK and France. Our marketing program includes various activities to increase market outreach, press releases and media mentions (both print and online), engagement with analyst firms and consulting engagement to secure technology partners, conducting regular e-mail and social media campaigns, participating, and organizing industry events and publishing thought leadership content like videos, blogs, white papers and articles.

Employees

As on June 30, 2024, we have total employees of over 6,947 permanent employees across various operational and business divisions in India, U.S. and UK. Our permanent employees include personnel engaged in various departments such as business planning and strategy, designing, manufacturing, finance & accounts, human resources, sales and marketing, procurement, logistics and legal functions. In addition, we have more than 1,075 employees engaged through contract labour.

Our human resource practices are aimed at recruiting talented personnel, ensuring their continuous development and making sure their grievances, if any, are redressed in a timely manner. We are committed to the well-being of our employees and offer a range of employee engagement activities and welfare measures such as our wellness program, our endurance program, our recognition program and our connect program. Further, our employee policies are crafted with an intention to attract and retain talent, foster their integration and encourage the continuous development of their skills which in turn support the growth of our operations.

We have a recognized trade union, and it comprises of 339 employees as on June 30, 2024. We have entered into a wage settlement agreement for the period of 2022-2024 with the recognized trade union and the agreement provides for standard terms and conditions of workers, including compensation and benefits.

We also engage several contract labourers to facilitate our operations in our manufacturing facilities in India. All contract labourers engaged at our facilities are assured minimum wages that are fixed by the respective governments.

Competition

We face competition in relation to specific products and our product ranges. Our key competitors are Alok Industries, Bombay Dyeing, Indo Count, Raymond, Trident and Welspun Living. [(*Source: CRISIL Report*)]

Insurance

We maintain insurance policies in respect of our business, operations, products, and workforce which we consider reasonably sufficient to cover general risks associated with our operations.

As of June 30, 2024, our policies included inter alia: (i) fire policy (ii) group personal accident policy, (iii) signature management plus liability insurance policy (iv) crime insurance policy (v) cyber-crime policy, , (vi) burglary and insurance policy and (vii) commercial general policy. The insurance policies are reviewed periodically to ensure that the coverage is adequate. We have obtained standard fires and perils policies in respect of the plants, building and machinery, inventory, and office equipment in our manufacturing facilities. We also maintain an industrial risk policy and a commercial general liability insurance, to mitigate any loss due to general industrial risks of our operations. With a view to safeguard our exports we also maintain transit insurance that covers transport of critical raw materials and finished products. With respect to our workforce, we maintain, signature management plus liability policy, group accident policies that cover accidental death, permanent disability and other injuries to our employees. We also maintain public liability policies that cover personal injury and property damage to third parties. We also maintain a crime policy to protect against first party loss of tangible property, money, and securities caused either by the employees or by third parties.

However, notwithstanding our insurance coverage, disruptions to our operations could nevertheless have a material adverse effect on our business, results of operations and financial condition to the extent our insurance policies do not cover our economic loss resulting from such damage. For further information, see "*Risk Factor -. If we incur serious uninsured loss that significantly exceeds the limit of our insurance policies, it would have an adverse effect on our business, financial conditions, results of operation and cash flows" on page 65.*

Corporate Social Responsibility

Our Board has adopted a CSR policy and we dedicate resources, both financial and manpower and aim to deliver sustainable value to the society at large. Our Company has set up a CSR Committee that identifies CSR projects and provides guidance for the implementation of the projects. Our Company's CSR activities envisage initiatives primarily in the areas of health, education, environmental protection, community development and sanitation among others.

We have established and developed various avenues in Hassan wherein our manufacturing plant is located, such as provided for clean drinking water in the neighbouring villages, launched educational initiatives such as smart classes to enhance the standards of education of underprivileged children. We have developed employment enhancing vocational skills as skill training under Apprentice Act as per National Apprenticeship Promotion Scheme ("**NAPS**") which aims to build future ready workforce by skill training to build competencies that enable the apprentice to successfully work in real- time business environment.

We incurred an expenditure of ₹ 432.57 lakhs, ₹ 365.05 lakhs and ₹ 175.00 lakhs in Fiscals 2022, 2023 and 2024, respectively, towards corporate social responsibility expenditure in compliance with the Companies Act, 2013.

Properties

Our Registered and Corporate office is located at 4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, India on a leased premises. Additionally, our manufacturing facilities are located at Plot No. 1, KIADB Industrial Area, Gorur Road, Hassan 573 201, Karnataka, India on land that is leased by us on a long-term basis for a term of 20 years from state industrial development boards whereas our manufacturing facility at 23A, KIADB Industrial Area, Veerapura Village, Doddaballapur Taluk, Bengaluru 561 203, Karnataka, India is situated on land owned by us.

Health, safety and environment

Our operations are subject to environmental laws and regulations, which govern, among other things, air emissions, waste-water discharges, the handling, wastes, natural resource damages, and employee health and safety. Our Company has a well-established Occupational Health and Safety Management which have received the ISO 45001:2018 certification, ISO 9001, 2015; certification and ISO 14001, 2015 certifications pertaining to occupation health safety and environmental management systems.

We have environmental monitoring systems which accurately measure and track operational and production impacts on air, water and any other environmental systems which may be deemed necessary. We also have other certifications that are applicable to the textile industries sector such as Oeko-Tex 100 certificate for our products, zero discharge of hazardous chemicals ("**ZDHC**"), better cotton initiative membership for sustainable cotton, and the Business Social Compliance Initiative ("**BSCI**") amongst others. Our plants are also STeP ("**Sustainable Textile Production Certified**").

Intellectual property

We regard our, trademarks and patents as critical to our business operations. Our brand “Himatsingka” (word/logo) is registered as a trademark in India in classes 22, 23, 24, 25, 35 and 41. We market our products under our key brand names such as “Atmosphere”, “Pimacott”, “Gizacott”, “Americott”. “Organicott’, ‘Himeya”, “Homegrown”, ‘Bellora”, “Aerocott”, “Bactguard”, “Sleep Nutrition”, “Zip-Dry”, “Magnafit”, “Crease Control”, and “Ecocore”.

We have obtained registrations for 130 trademarks across various jurisdictions including India, United States, United Kingdom, Italy, Canada, and Mexico. We, through our subsidiary also have been granted six patents fitted sheet technology in the United States. As of June 30, 2024, we have registered 77 trademarks with the Registrar of Trademarks in India.

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

The following discussion is intended to convey our management's perspective on our Company's financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our "Financial Statements" on page 95. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the quarter and three months ended June 30, 2024, included herein is derived from the Unaudited Consolidated Financial Results included in this Placement Document. For further information, see "Financial Statements" on page 95. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 13, for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" and "Significant Factors Affecting our Results of Operations" on pages 44 and 335, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless stated otherwise, statistical information, industry and market data used in this section has been derived from the industry report titled "Textiles Industry in India" dated October 24, 2024, (the "CRISIL Report") which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL pursuant to an engagement letter dated August 7, 2024 in connection with the Issue.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are for the 12 months ended March 31 of that year. In this section, unless the content otherwise requires, references to the "Group" mean the Company and its Subsidiaries.

OVERVIEW

Established in 1985, Himatsingka Seide Limited is a vertically integrated textile company with a global footprint. We design, develop, manufacture and distribute a suite of textile products. On the manufacturing front, we operate four manufacturing facilities situated across two campuses in the state of Karnataka, India. Our manufacturing facilities are equipped with amongst the largest capacities globally for producing an array of home textiles such as Bedding Products, Bath Products, Cotton Yarn Products and Drapery and Upholstery Products.

Our integrated manufacturing operations are complemented by a global distribution network spread across North America, EMEA and Asia. We operate a significant in-house and proprietary brand portfolio of eight brands, (Atmosphere, Liv, Bellora, Himeya, PimaCott, Organicott, GizaCott, and Homegrown cotton) and an extensive private label portfolio for home textile products catering to global clients across key markets. As of March 31, 2024, we had a total asset base of approximately ₹ 5,79,451.10 lakhs and a turnover of ₹ 2,84,145.10 lakhs , and employed over 6,842 permanent employees globally and 1,125 employees engaged through contract labour and serviced clients across 35 countries globally.

Manufacturing Facilities

We operate four integrated manufacturing facilities spread over 393.38 acres in two campuses located in the state of Karnataka, India. Our 366.61-acre campus in Hassan, Karnataka houses three manufacturing plants (integrated Cotton Spinning Plant, integrated Terry Towel Plant and integrated Sheeting Plant). Our 26.76-acre campus in Doddaballapur, Karnataka houses one manufacturing plant which is our integrated Drapery and Upholstery Plant.

We believe that our manufacturing platforms epitomize scale, flexibility, efficiencies, technology, and digitization. Our integrated manufacturing facilities produce a comprehensive suite of home textile products for our global client base who cater to consumer audiences worldwide.

Our manufacturing capacity matrix and the key features of our manufacturing facilities as of June 30, 2024 are as follows:

Manufacturing capacity matrix as of June 30, 2024

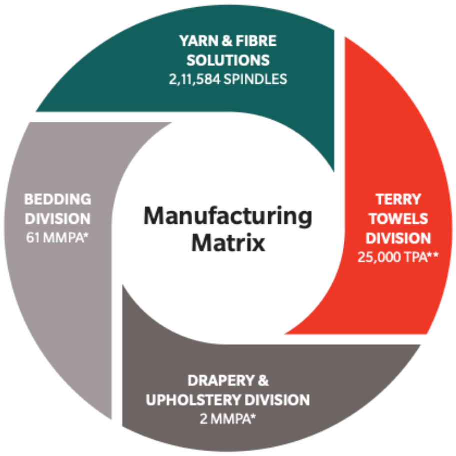


Figure 31 : Manufacturing Capacity Matrix

*** MMPA refers to million meters per annum.*
**TPA refers to tonnes per annum.*

Key features of our manufacturing facilities as of June 30, 2024

Plant	Location	Capacity	Particulars
Integrated Cotton Spinning Plant	Hassan, Karnataka, India	211,584 spindles	Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of cotton spinning capacity under one roof with an installed capacity of 211,584 Spindles as of June 30, 2024. (*Source: CRISIL Report*) The Spinning Plant is equipped with advanced technology platforms from global technology leaders in spinning equipment and is capable of producing a broad cross-section of cotton yarn products under one roof.
Integrated Sheeting Plant	Hassan, Karnataka, India	61 MMPA	Located at our 366.61 -acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of Bedding Products with a manufacturing capacity of 61 MMPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Sheeting Plant is capable of producing a comprehensive suite of Bedding Products that include core bedding, fashion bedding, utility bedding, comfort bedding and seasonal bedding. This ability to produce a broad cross-section of products makes our Sheeting Plant flexible and capable of catering to the dynamic and ever-changing preferences of global retailers.
Integrated Terry Towel Plant	Hassan, Karnataka, India	25,000 TPA	Located at our 366.61-acre campus at Hassan, Karnataka, we are amongst the top five companies in India in terms of terry towel manufacturing capacity of 25,000 TPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Terry Towel Plant is capable of producing a comprehensive suite of Bath Products that include core towels, fashion towels, beach towels, kitchen towels, cleaning towels, seasonal towels, bath robes and accessories among other products. This ability to produce a broad cross-section of Bath Products makes our Terry Towel Plant flexible and capable of catering to the dynamic and ever-changing preferences of global retailers.
Integrated Drapery and Upholstery Plant	Doddaballapur, Karnataka, India	2 MMPA	Located at our 30-acre campus at Doddaballapur, Karnataka, we have an installed capacity of 2 MMPA as of June 30, 2024. (*Source: CRISIL Report*) The integrated Drapery and Upholstery Plant is capable of producing a comprehensive suite of Drapery and Upholstery Products to cater to luxury soft home brands worldwide.

Global Networks, Brands and Clients

As an integrated business, we manufacture and distribute a suite of home textile products across markets worldwide. Our distribution capabilities are powered by strong brand (owned and licensed) and private label portfolios that service over 117 export clients across 35 countries worldwide. Our products reach a broad cross-section of consumers across retail platforms and channels globally. Our international network of sales offices is situated in India, and USA and our warehousing facilities are situated in India and USA.

We have deep relationships and extensive reach with global retailers that operate across key markets, formats and channels. Through our global networks, we cater to different global retailers including certain Fortune 500 companies and service a global client base across various retail formats and channels including hyper markets, departmental stores, speciality stores, off-price retailers, importers, multi-brand outlets and e-commerce platforms amongst other formats. We operate a marquee brand portfolio in the home textile space and offer global clients our brands (licensed and owned) across product categories, price points and channels.

Bellora SINCE 1883 HIMEYA atmosphere PimaScott

Promoters, Board and Management

We are led by our Promoters, Dinesh Kumar Himatsingka (Executive Chairman) and Shrikant Himatsingka (Executive Vice Chairman and Managing Director). Our Promoters have a strong track record, extensive experience and deep expertise in the textiles industry. Our Promoter and Executive Chairman, Dinesh Kumar Himatsingka founded the Company in 1985 and has spent 39 years with the Company, while our Promoter, Executive Vice Chairman and Managing Director, Shrikant Himatsingka has been with the Company for the period of over 21 years.

Our Board of Directors and Senior Management bring with them expertise and know-how from various industrial and service sectors including in the textile sector, manufacturing sector, banking and financial services sector which helps us assess risks and opportunities using optimal frameworks whilst adhering to all the regulatory and statutory requirements and regulations. For details of our Board and management, see "*Board and Senior Management*" on page 414.

Financial Metrics

The table below set outs some of our financial and other metrics for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022:

(In ₹ lakhs, unless specified below)

Particulars	As of and for the year ended March 31,		
	2024	2023	2022
Revenue from Operations	2,84,145.10	2,67,774.26	3,18,395.02
Other Income	2,113.30	7,501.85	1,961.95
Total Revenue	2,86,258.40	2,75,276.11	3,20,356.97
EBITDA	61,733.20	34,603.81	54,992.15
EBITDA Margin (%)	21.73%	12.92%	17.27%
EBIT	45,922.84	18,200.49	39,149.59
Profit/(Loss) before tax	16,276.24	(7,522.67)	21,032.51
Tax Expense	4,994.02	(1,114.70)	6,950.88
Profit/(Loss) after tax	11,282.22	(6,407.97)	14,081.63

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Raw materials cost

We source raw materials, such as cotton yarn, packing and trims from our suppliers with whom we have established long-standing relationships in order to ensure the consistent supply of products to our customers. The cost of raw material and packing material consumed in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 was ₹1,30,521.11 lakhs, ₹1,28,291.08 lakhs and ₹1,75,271.29 lakhs, respectively, comprising of 48.34%, 45.36 % and 58.56% of our total expenses in such years respectively. We are committed to the careful use of raw materials and natural resources at every stage of production, while also seeking to develop solutions that have improved performance and are sustainable. Our cost of goods sold is impacted by the amount of raw materials procured and the price at which we procure such raw materials, and may fluctuate from time to time. The availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in Government policies and regulations and raw materials sourced by us may be subject to foreign exchange fluctuations, political uncertainty, global conflicts and various other macro-economic factors etc.

Business models

Our primary business model is B2B in the home textiles industry, wherein we are involved in manufacturing of bedding, bath, drapery, upholstery and lifestyle accessory products in the home textile segment. For further details of our business models, please refer to the section titled "*Our Business*" on page 306 of this Placement Document. We consider that our B2B business model enables us to more effectively grow in across geographies, and primarily in our target market, North America and help us to balance profitability and capacity utilisation. Accordingly, we focus on maintaining our relationships with our current marketing partners and establishing new business relationships with customers to continue to grow our B2B business model. In our domestic market, we are leveraging our brand strength and sales network. We require our business models to continue to operate effectively in order to drive our business and results.

Macroeconomic trends in the industries our customers operate

Our growth and results of operations and financial condition are significantly affected by end-consumer demand for products manufactured or sold or services provided by our customers which in turn is linked to macro factors driving India and the global economy. These factors include levels of per capita disposable income, levels of consumer spending, consumer preferences, business investment (specifically supply chain related investments), overall logistics spending, changes in interest rates, fuel and power prices, government policies or taxation, social or civil unrest and political, economic or other developments that affect consumption and business activities in general. Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of consumer and business confidence and consumption or the performance of our customers.

Competition

We face competition in all our main business lines. Since our business is competitive, some of our key competitors that have diversified businesses, may have greater resources and offer a broader range of products than ours. Such competitors may also have longer operating histories, greater financial, technical, product development and marketing resources and greater brand recognition. Such competitors could use these resources to market or develop their products that are more effective or less costly than our products or that could render any or all of our products obsolete. Further, we face competition from other exporters from other countries which enjoy preferential treatment in major apparel export destinations such as US, Canada etc. because of trade agreements. Competitive pressures could also affect the pricing of our products. Greater competition for particular products could have a negative impact on pricing. Our success is dependent upon our ability to compete against such competitors. We will continue to seek to distinguish our offerings by providing quality products at competitive prices.

Currency rate fluctuations

Our products are typically priced in Indian Rupees for Indian sales, in U.S. Dollars for sales in the United States, in Euros for sales in the European Union, GBP for sales in the United Kingdom and in the local currency of the other jurisdictions where we sell our products. A significant portion of our costs are incurred in Rupees. As a consequence, we are exposed to currency rate fluctuations between the Rupee and the U.S. Dollar, Euro, Canadian Dollars, and other local currencies in jurisdictions where our products are sold. While we hold derivative financial instruments to hedge foreign currency risk exposure, we may be subject to foreign currency exposure and fluctuations in the exchange rates between the Indian Rupee and other currencies.

BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost convention and on an accrual basis of accounting except:

a) Defined benefit and other long-term employee benefits that are measured at present value of defined benefit obligations less fair value of plan assets.
b) Certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The Group has consistently applied the following accounting policies to all the years presented in the consolidated financial statements.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of consolidation

The Group consolidates all entities which are controlled by it. Subsidiaries are the entities controlled by the Group. The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries (including step subsidiaries).

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date control ceases.

The consolidated financial statements of the subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform policies in use at the Group.

Assets and liabilities of entities with functional currency other than the functional currency of the Holding Company have been translated using exchange rates prevailing on the balance sheet date. Consolidated statement of profit and loss of such entities has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

Business combination

The Group accounts for its business combinations under the acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved, and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

Revenue recognition

Revenue from contracts with customers -sale of goods:

Revenue is recognised upon transfer of control of promised goods to customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group derives its revenue primarily from sale of products.

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at transaction price received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Revenue from sale of products is recognised at a point in time when control is transferred to customer.

The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Scrap sales

Revenue from sale of scrap is measured at the transaction price of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per the terms of contract with customers.

Contract balances

Trade receivables

A trade receivable is recognized if the amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section – Financial instruments – initial recognition and subsequent measurement.

Cost to obtain a contract and cost to fulfil a contract

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term as reduction in revenue.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognized.

Other income

Other income comprises interest income, and gain/ (losses) on disposal of financial assets and non-financial assets. It is recognized on an accrual basis except where the receipt of income is uncertain.

Interest income is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

Dividend income is recognized when the right to receive dividend is established.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets

The Group recognizes a right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less accumulated amortization, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the consolidated statement of profit and loss.

Lease liabilities

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses an incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in consolidated statement of profit and loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss due to its operating nature.

Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs allocated to and utilized for qualifying assets pertaining to the period from commencement of activities directly attributable to the acquisition, construction or production upto the date of capitalization of such asset are added to the cost of the assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to an expense item are recognized in the consolidated statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented as a deduction in reporting the related expense. The presentation approach is applied consistently to all similar grants. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to consolidated statement of profit and loss over the periods and in proportions in which depreciation expense on those assets is recognized.

Income from export incentives are recognized in the consolidated statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of exports made and disclosed as other operating revenues.

Income from government incentives (other than export incentive) are recognized in the consolidated statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established and disclosed as a reduction to the related expenses.

Employee benefits

Defined benefit plans

The Holding Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates or determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the consolidated statement of profit and loss does not include an expected return on plan assets. Instead, net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit and loss in subsequent periods.

Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, bonus, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term performance incentive, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

The employees of the Group are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date. Actuarial gains / losses are immediately taken to the consolidated statement of profit and loss. The Group presents the entire obligation for compensated absences as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months from the reporting date.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee Provident Fund, ESIC to regulatory authorities. Such benefits are classified as defined contribution plan. The Group's contribution is recognized as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum alternative tax ("**MAT**") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the concerned company in the Group will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

The Group offsets the current tax assets and liabilities (on a year-on-year basis), where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment, except land, held for use in the production, supply or administrative purposes, are measured at cost less accumulated depreciation (which includes capitalized borrowing costs, if any) and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing an asset to working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Assets in the course of construction are capitalized as capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repair and maintenance costs are recognized in the consolidated statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit and loss.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under Capital work in progress.

Depreciation

Depreciation is provided on a Straight Line Method ('SLM') over the estimated useful lives of the property, plant and equipment as estimated by the Management and is recognised in the consolidated statement of profit and loss.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

The Group has estimated the useful lives for property, plant and equipment as follows:

Class of assets	Years
Buildings	10 – 60 years
Plant and equipment*	3 - 41 years
Furniture and fixtures	5 - 13 years
Office equipment (Incl books and catalogue)	3 - 25 years
Vehicles	6 - 13 years
Leasehold improvements	shorter of the lease term and their estimated useful lives

Land is not depreciated.

* The Management believes that the useful lives as given best represent the period over which the management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for some of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act.

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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Goodwill and Other Intangible Assets

Goodwill

For measurement of goodwill that arises on a business combination refer note 2.2. Subsequent measurement is at cost less any accumulated impairment losses.

Other intangible assets

Recognition and measurement

Acquired intangible assets

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization and any accumulated impairment loss.

Internally generated intangible assets

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization

The Group amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles (including internally generated intangible assets) are as follows:

Class of asset	Useful life
Computer software	4 - 10 years

Technical know-how	10 years
Brands and licenses	3 -10 years

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted if appropriate.

Derecognition of intangible assets

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit and loss.

Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and is not reversed in the subsequent period.

Other intangible assets and property, plant and equipment

Other intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets/ CGU are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/ CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and traded goods, cost comprises of cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the consolidated statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Also refer note 2.6 regarding exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (where the effect of time value of money is material, representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognized as finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed by way of note to the consolidated financial statements.

Financial Instruments

Initial recognition and initial measurement

The financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at:

- amortized cost;
- fair value through other comprehensive income (FVOCI) - debt investment;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not re-classified subsequent to their initial recognition, except if and in the period there are changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in the consolidated statement of profit and loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective amortized cost interest method reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Any gain or loss on derecognition is recognized in the consolidated statement of profit and loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit and loss.
Equity investments recognized at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to the consolidated statement of profit and loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognized only when:

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an asset is transferred, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated statement profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the consolidated statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in consolidated statement of profit and loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.

Derecognition

The Group derecognizes financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the consolidated statement of profit and loss.

The Group designates their derivatives as hedge instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the consolidated statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the consolidated statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the consolidated statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the consolidated statement of profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the consolidated statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Holding Company for the year by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of statement of cash flows, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

Statement of Cash flows

Cash flows are reported using the indirect method, whereby net profit/loss before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash dividend

The Group recognizes a liability to make dividend distributions to equity holders of the Group when the distribution is authorized, and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the respective company's Board of Directors.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Non-current assets for sale

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

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. 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 (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

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

Property, plant and equipment and intangible are not depreciated, or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

New Standards, Interpretations and Amendments adopted by the Group

Ministry of Corporate Affairs ("**MCA**") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscals 2024, 2023 and 2022 and in the quarter and three months period ended June 30, 2024.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

The following descriptions set forth information with respect to the key components of our consolidated statement of profit and loss.

Income

Our total income comprises our revenue from operations and other income.

Revenue from Operations

Our revenue from operations comprises of (i) revenue from contracts with customers – sale of goods; and (ii) other operating revenue.

The Company derives its revenue primarily from sale of home textile products. Revenue from contracts with customers – sale of goods primarily comprises of sale of (a) bath products including core towels, fashion towels, beach towels, kitchen towels, bath towels and countertop; (b) bedding products – seasonal bedding, comfort bedding, core bedding, fashion bedding, utility bedding, accessories; and (c) cotton yard products.

Other operating revenue comprises of (i) revenue from contracts with customers – sale of waste and scrap; (ii) export incentives;

and (iii) royalty income.

Revenue from contracts with customers – sale of waste and scrap primarily comprises of corner waste, chindi waste, grading waste, noil waste, blow room waste and card flat waste.

Export incentives primarily comprise of incentives due to us under various schemes by the Central Government such as the duty draw back, Remission of Duties and Taxes on Exported Products (RoDTEP) and Rebate of State and Central Taxes and Levies (RoSCTL).

Royalty income primarily comprises of license fees for our registered and owned brands used by third parties.

Other Income

Our other income primarily comprises of (i) interest income; and (ii) other than interest income. Interest income comprises interest from bank deposits, interest on electricity deposits and interest income earned on financial assets that are not designated as at fair value through profit or loss. Other than interest income comprises of foreign exchange rates, profit on sale of current investments, profit on sale of property, plant and equipment and miscellaneous income.

Expenses

Our expenses comprise of: (i) cost of raw materials and packing materials consumed; (ii) purchases of stock-in-trade; (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expense; and (vii) other expenses.

Cost of raw materials and packing materials consumed

Cost of raw materials and packing materials consumed comprise cotton, yarn, packing and trims.

Purchase of stock-in-trade

Our purchase of stock-in-trade primarily consists of customized products like sheets, throws, blankets and decorative pillows to service our customers.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade represent the net increase or decrease in finished goods, work in progress and stock-in-trade at the beginning of the period or year and end of the period or year.

Employee Benefit Expenses

Our employee benefits expense comprises salaries, wages and bonus, contribution to provident and other funds, gratuity expenses, expenses related to compensated absences, workmen and staff welfare expenses.

Finance Costs

Our finance costs comprise of (A) interest expense on: (i) financial liabilities at amortised cost comprising interest on term loans, interest on working capital loans, and interest on payment of income tax; (B) other borrowing costs; and (C) exchange differences regarded as an adjustment to borrowing costs.

Depreciation and amortisation expense

Depreciation and amortisation expense comprises of depreciation on property, plant and equipment, amortisation of intangible assets and depreciation on right-of-use of asset less amortisation of deferred income on government grants.

Other Expenses

Our other expenses include (i) consumption of stores and spare parts; (ii) power and fuel; (iii) royalty; (iv) contract labour charges (v) freight outward, net of reimbursement; (vi) advertisement and publicity; (vii) rent; (viii) travelling and conveyance expenses; (ix) professional and consultancy charges; (x) payments to auditors; (xi) sales promotion expenses; (xii) repairs and maintenance of plant and machinery, buildings and others; (xiii) insurance; (xiv) job work charges; (xv) product design and development charges; (xvi) water charges; (xvii) security charges; (xviii) communication expenses; (xix) rates and taxes; (xx) printing and stationery; (xxi) expenditure on corporate social responsibility; (xxii) commission on sales; (xxiii) loss on sale of property, plant and equipment (net); (xxiv) loss allowance on financial assets (net); (xxv) loss on current investments carried at fair value through profit or loss; and (xxvi) miscellaneous expenses.

RESULTS OF OPERATIONS

Statement of the Unaudited Consolidated Financial Results for the quarter and three months period ended June 30, 2024

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the period indicated:

Particulars	**Three months ended June 30, 2024**	
	₹ in lakhs	**% of Total Income**
Income		
Revenue from operations	73,545.99	99.64
Other income	262.21	0.36
Total income	**73,808.20**	**100.00**
Expenses		
Cost of raw materials and packing materials consumed	31,575.83	42.78
Purchases of stock-in-trade	2,262.69	3.07
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,347.23	1.83
Employee benefits expense	7,089.94	9.61
Finance costs	8,183.36	11.09
Depreciation and amortisation expense	3,763.82	5.10
Other expenses	16,642.60	22.55
Total expenses	**70,865.47**	**96.01**
Profit / (loss) before tax	**2,942.73**	**3.99**
Tax expense		
Current tax	960.30	1.30
Deferred tax	(73.34)	(0.10)
Total tax expense	**886.96**	**1.20**
Profit after tax before share of associates	**2,055.77**	**2.79**
Shares of loss of associates	**(0.26)**	**(0.00)**
Profit/(Loss) for the period/year	**2,055.51**	**2.78**
Other comprehensive income		
A. Item that will not be reclassified to profit or loss		
- Re-measurements gain on defined employee benefit plan	35.38	0.05
- Income tax effect on above	(12.36)	(0.02)
B. Item that may be reclassified to profit or loss		
- Exchange differences in translating the financial statements of foreign operations	5.78	0.01
- Effective portion of (loss)/gain on hedging instruments in cash flow hedges	138.03	0.19
- Income tax effect on above	(48.23)	(0.07)
Other comprehensive income for the year, net of tax	**118.60**	**0.16**
Total comprehensive (loss) / income for the year	**2,174.11**	**2.95**

Summary of the Audited Consolidated Financial Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the year indicated:

Particulars	**Year ended March 31, 2024**		**Year ended March 31, 2023**		**Year ended March 31, 2022**	
	₹ in lakhs	**% of Total Income e**	**₹ in lakhs**	**% of Total Income**	**₹ in lakhs**	**% of Total Income**
Income						
Revenue from operations	2,84,145.10	99.26	2,67,774.26	97.27	3,18,395.02	99.39
Other income	2,113.30	0.74	7,501.85	2.73	1,961.95	0.61
Total income	**2,86,258.40**	**100.00**	**2,75,276.11**	**100.00**	**3,20,356.97**	**100.00**
Expenses						
Cost of raw materials and packing materials consumed	1,30,521.11	45.60	1,28,291.08	46.60	1,75,271.29	54.71
Purchases of stock-in-trade	-	-	6,533.54	2.37	19,417.91	6.06
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(8,495.53)	(2.97)	19,386.15	7.04	(30,275.89)	(9.45)
Employee benefits expense	30,759.15	10.75	28,160.14	10.23	32,718.71	10.21
Finance costs	29,646.60	10.36	25,723.16	9.34	18,117.08	5.66
Depreciation and amortisation expense	15,810.36	5.52	16,403.32	5.96	15,842.56	4.95
Other expenses	71,740.47	25.06	58,301.39	21.18	68,232.80	21.30
Total expenses	**2,69,982.16**	**94.31**	**2,82,798.78**	**102.73**	**2,99,324.46**	**93.43**
Profit / (loss) before tax	**16,276.24**	**5.69**	**(7,522.67)**	**(2.73)**	**21,032.51**	**6.57**
Tax expense						

Particulars	Year ended March 31, 2024		Year ended March 31, 2023		Year ended March 31, 2022	
	₹ in lakhs	**% of Total Income e**	**₹ in lakhs**	**% of Total Income**	**₹ in lakhs**	**% of Total Income**
Current tax	5,193.11	1.81	15.43	0.01	4,290.39	1.34
Deferred tax	(199.09)	(0.07)	(1,130.13)	(0.41)	2,660.49	0.83
Total tax expense	**4,994.02**	**1.74**	**(1,114.70)**	**(0.40)**	**6,950.88**	**2.17**
Profit / (loss) for the year	**11,282.22**	**3.94**	**(6,407.97)**	**(2.33)**	**14,081.63**	**4.40**
Other comprehensive income						
A. Item that will not be reclassified to profit or loss						
- Re-measurements gain on defined employee benefit plan	(388.01)	(0.14)	387.14	0.14	23.12	0.01
- Income tax effect on above	135.59	0.05	(135.28)	(0.05)	(8.08)	0.00
B. Item that may be reclassified to profit or loss				-		-
- Exchange differences in translating the financial statements of foreign operations	(559.12)	(0.20)	5,591.75	2.03	1,714.98	0.54
- Effective portion of (loss)/gain on hedging instruments in cash flow hedges	803.68	0.28	(1,558.85)	(0.57)	199.76	0.06
- Income tax effect on above	(280.84)	(0.10)	544.72	0.20	(69.80)	(0.02)
Other comprehensive income for the year, net of tax	**(288.70)**	**(0.10)**	**4,829.48**	**1.75**	**1,859.98**	**0.58**
Total comprehensive (loss) / income for the year	**10,993.52**	**3.84**	**(1,578.49)**	**(0.57)**	**15,941.61**	**4.98**

THREE MONTHS ENDED JUNE 30, 2024

Total income

Our total income was ₹73,808.20 lakhs for the three months ended June 30, 2024. It was primarily attributable to the following:

Revenue from operations

Our revenue from operations was ₹73,545.99 lakhs for the three months ended June 30, 2024. This was primarily attributable to revenue from sale of textile products on account of existing and addition of new programs and customers, sale of waste, scrap and export incentives.

Other income

Our other income was ₹262.21 lakhs for the three months ended June 30, 2024. This was primarily attributable to interest from bank deposits and foreign exchange gains during the three months ended June 30, 2024.

Expenses

Total expenses were ₹70,865.47 lakhs in the three months ended June 30, 2024. This was primarily attributable to the following:

Cost of raw materials and packing materials consumed

Our cost of raw materials and packing materials consumed was ₹31,575.83 lakhs for the three months ended June 30, 2024. This was primarily attributable to cotton fibre, dyes, chemicals, trims and accessories among others.

Purchases of stock-in-trade

Purchases of stock-in-trade was ₹2,262.69 lakhs for the three months ended June 30, 2024. This was primarily attributable to the goods purchased from other countries to service customers.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹1,347.23 lakhs for the three months ended June 30, 2024. This was primarily attributable to changes in production and sale levels.

Employee benefits expense

Our employee benefits expense were ₹7,089.94 lakhs for the three months ended June 30, 2024. This was primarily attributable to payment of salaries, wages, contribution to provident fund and other funds, compensated absences and welfare expenses.

Finance costs

Our finance costs were ₹8,183.36 lakhs for the three months ended June 30, 2024. This was primarily attributable to interest costs and other borrowing costs.

Depreciation and amortization expense

Our depreciation and amortization expense were ₹3,763.82 lakhs for the three months ended June 30, 2024. This was primarily attributable to expensing of fixed assets over their useful life.

Other expenses

Our other expenses were ₹16,642.60 lakhs for the three months ended June 30, 2024. This was primarily attributable to power and fuel, freight outwards, royalty, advertisement and publicity, rent and job work charges.

Profit/(loss) before Tax

For the reasons discussed above, profit before exceptional items and tax was ₹2,942.73 lakhs for the three months ended June 30, 2024.

Total tax expenses

Our total tax expense were ₹ 886.96 lakhs for the three months ended June 30, 2024. We recorded a current tax charge of ₹960.30 lakhs for the three months ended June 30, 2024. We recorded a deferred tax credit of ₹73.34 lakhs for the three months ended June 30, 2024.

Profit for the period

As a result of the above, our profit for the period was ₹2,055.51 lakhs for the three months ended June 30, 2024.

Other comprehensive income/ (loss) for the period

Other comprehensive income for the year for the three months ended June 30, 2024 was ₹118.60 lakhs.

Total comprehensive income/ (loss) for the period

The total comprehensive income for the year for the three months ended June 30, 2024 was ₹2,174.11 lakhs.

FISCAL 2024 COMPARED TO FISCAL 2023

Total income

Our total income increased by 3.99% from ₹2,75,276.11 lakhs in Fiscal 2023 to ₹2,86,258.40 lakhs in Fiscal 2024. This increase was primarily due to the reasons set out below.

Our revenue from operations increased by 6.11% from ₹2,67,774.26 lakhs in Fiscal 2023 to ₹2,84,145.10 lakhs in Fiscal 2024. This was primarily on account of stable demand for our Company's products in the market.

Our geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognized:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
North America	2,20,176.46	2,12,292.82
India and Asia pacific	80,68.04	9,673.87
Europe, Middle East and Africa	28,005.15	23,546.29
Rest of the world	1,455.11	1,315.65
Total	**2,57,704.76**	**2,46,828.63**

Our revenue from contracts with customers – sale of goods increased by 4.41% from ₹2,46,828.63 lakhs in Fiscal 2023 to ₹2,57,704.76 lakhs in Fiscal 2024.

Our other operating revenue increased by 26.23% from ₹20,945.63 lakhs in Fiscal 2023 to ₹26,440.34 lakhs in Fiscal 2024. This was primarily due to increase in sales volume during the year impacting export incentives

Other income

Our other income decreased by 71.83 % from ₹7,501.85 lakhs in Fiscal 2023 to ₹2,113.30 lakhs in Fiscal 2024. This was primarily due to inclusion of profit on sale of machinery and higher foreign exchange gain during corresponding period of previous year.

Expenses

Total expenses decreased by 4.53% from ₹2,82,798.78 lakhs in Fiscal 2023 to ₹2,69,982.16 lakhs in Fiscal 2024. This was due to the following reasons:

Cost of raw materials and packing materials consumed

Cost of raw materials and packing materials consumed increased by 1.74% from ₹1,28,291.08 lakhs in Fiscal 2023 to ₹1,30,521.11 lakhs in Fiscal 2024. This was primarily due to product mix and inflation.

Purchases of stock-in-trade

Purchases of stock-in-trade decreased by 100% from ₹6,533.54 lakhs in Fiscal 2023 to NIL in Fiscal 2024. This was primarily due to in house sourcing of required materials.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade decreased by 143.82% from ₹19,386.15 lakhs in Fiscal 2023 to ₹ (8,495.53) lakhs in Fiscal 2024. This was primarily due to increase in production.

Employee benefits expense

Our employee benefits expense increased by 9.23% from ₹28,160.14 lakhs in Fiscal 2023 to ₹30,759.15 lakhs in Fiscal 2024. This is primarily due to increase in headcount and pay hikes given to employees.

Finance costs

Our finance costs increased by 15.25 % from ₹25,723.16 lakhs in Fiscal 2023 to ₹29,646.60 lakhs in Fiscal 2024. This was primarily due to increase in interest rate by banks and phase wise withdrawal of subvention scheme.

Depreciation and amortization expense

Our depreciation and amortization expense decreased by 3.61% from ₹16,403.32 lakhs in Fiscal 2023 to ₹15,810.36 lakhs in Fiscal 2024. This was primarily due to completion of life of certain old assets.

Other expenses

Our other expenses increased by 23.05% from ₹58,301.39 lakhs in Fiscal 2023 to ₹71,740.47 lakhs in Fiscal 2024. This was primarily due to increase in cost of power and fuel, freight outwards, advertisement & Publicity, Rent and Job work charges.

Profit/loss before tax

For the reasons discussed above, our profit before exceptional items and tax was ₹16,276.24 lakhs in Fiscal 2024 compared to a loss of ₹7,522.67 lakhs in Fiscal 2023.

Total tax expenses

Our net tax expense increased from ₹(1,114.70) lakhs in Fiscal 2023 to ₹4,994.02 lakhs in Fiscal 2024. We recorded current tax expense of ₹15.43 lakhs in Fiscal 2023 as compared to ₹5,193.11 lakhs in Fiscal 2024. We recorded deferred tax credit of ₹199.09 lakhs in Fiscal 2024 as compared to deferred tax credit of ₹1,130.13 lakhs in Fiscal 2023.

Profit for the year

As a result of the above, our profit for the year was ₹11,282.22 lakhs in Fiscal 2024 as compared to a loss of ₹6,407.97 lakhs in Fiscal 2023.

Other comprehensive income for the year, net of tax

Other comprehensive income for the year, net of tax in Fiscal 2024 was ₹(288.70) lakhs as compared to ₹4,829.48 lakhs in Fiscal 2023. This was primarily due to adverse exchange rate movement.

Total comprehensive (loss)/ income for the year

The total comprehensive income for the year in Fiscal 2024 was ₹10,993.52 lakhs as compared to total comprehensive loss of ₹1,578.49 lakhs in Fiscal 2023.

FISCAL 2023 COMPARED TO FISCAL 2022

Total income

Our total income decreased by 14.07% from ₹3,20,356.97 lakhs in Fiscal 2022 to ₹2,75,276.11 lakhs in Fiscal 2023. This decrease was primarily due to the reasons set out below.

Our revenue from operations decreased by 15.90% from ₹3,18,395.02 lakhs in Fiscal 2022 to ₹2,67,774.26 lakhs in Fiscal 2023. This was primarily on account of subdued demand for our Company's products on account of overstocking big box retailers during Fiscal 2023.

Our geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
North America	2,12,292.82	2,48,733.23
India and Asia pacific	9,673.87	10,703.96
Europe, Middle East and Africa	23,546.29	26,734.17
Rest of the world	1,315.65	1,966.26
Total	**2,46,828.63**	**2,88,137.62**

Our revenue from contracts with customers – sale of goods decreased by 14.34% from ₹2,88,137.62 lakhs in Fiscal 2022 to ₹2,46,828.63 lakhs in Fiscal 2023.

Our other operating revenue decreased by 30.78% from ₹30,257.40 lakhs in Fiscal 2022 to ₹20,945.63 lakhs in Fiscal 2023. This was primarily due to reduction in sales volume impacting export incentives and reduction in manufacturing waste.

Other income

Our other income increased by 282.37% from ₹1,961.95 lakhs in Fiscal 2022 to ₹7,501.85 lakhs in Fiscal 2023. This was primarily due to inclusion of profit on sale and machinery and higher foreign exchange gain during Fiscal 2022.

Expenses

Total expenses decreased by 5.52% from ₹2,99,324.46 lakhs in Fiscal 2022 to ₹2,82,798.78 lakhs in Fiscal 2023. This was due to the following reasons.

Cost of raw materials and packing materials consumed

Cost of raw materials and packing materials consumed decreased by 26.80% from ₹1,75,271.29 lakhs in Fiscal 2022 to ₹1,28,291.08 lakhs in Fiscal 2023. This was primarily due to product mix, inflation and production volume.

Purchases of stock-in-trade

Purchases of stock-in-trade decreased by 66.35% from ₹19,417.91 lakhs in Fiscal 2022 to ₹6,533.54 lakhs in Fiscal 2023. This was primarily due to reduction of purchases from third parties.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade increased by 164.03% from ₹(30,275.89) lakhs in Fiscal 2022 to ₹19,386.15 lakhs in Fiscal 2023. This was primarily due to liquidation of inventory.

Employee benefits expense

Our employee benefits expense decreased by 13.93% from ₹32,718.71 lakhs in Fiscal 2022 to ₹28,160.14 lakhs in Fiscal 2023. This was primarily on account of decrease in wages from ₹26,826.57 lakhs in Fiscal 2022 to ₹23,592.13 lakhs in Fiscal 2023 due to a decrease in production.

Finance costs

Our finance costs increased by 41.98% from ₹18,117.08 lakhs in Fiscal 2022 to ₹25,723.16 lakhs in Fiscal 2023. This was primarily due to increase in interest on term loans due to corresponding increase in repo rate by RBI and other borrowing costs.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 3.54% from ₹15,842.56 lakhs in Fiscal 2022 to ₹16,403.32 lakhs in Fiscal 2023. This was primarily due to increased depreciation on additional property, plant and equipment, and right-of-use of asset.

Other expenses

Our other expenses decreased by 14.56% from ₹68,232.80 lakhs in Fiscal 2022 to ₹58,301.39 lakhs in Fiscal 2023. This was primarily due to decrease in job work charges, freight outward, power and water cost due to lower production.

Profit/(loss) before tax

For the reasons discussed above, we incurred a loss before tax of ₹7,522.67 lakhs in Fiscal 2023 compared to profit before tax of ₹21,032.51 lakhs in Fiscal 2022.

Total tax expenses

Our total tax expense decreased from ₹6,950.88 lakhs in Fiscal 2022 to ₹(1,114.70) lakhs in Fiscal 2023. We recorded a current tax charge of ₹4,290.39 lakhs in Fiscal 2022 as compared to ₹15.43 lakhs in Fiscal 2023. We recorded a deferred tax charge of ₹2,660.49 lakhs Fiscal 2022 to as compared to deferred tax credit of ₹1,130.13 lakhs in Fiscal 2023.

Profit for the year

As a result of the above, we incurred a loss of ₹6,407.97 lakhs in Fiscal 2023 as compared to the profit for the year of ₹14,081.63 lakhs in Fiscal 2022.

Other comprehensive income for the year, net of tax

Other comprehensive income for the year, net of tax in Fiscal 2023 was ₹4,829.48 lakhs as compared to ₹1,859.98 lakhs in Fiscal 2022. This was primarily due to favorable exchange rate movement and actuarial gain on employee benefits plan.

Total comprehensive (loss)/ income for the year

The total comprehensive loss for the year in Fiscal 2023 was ₹1,578.49 lakhs as compared to total comprehensive income of ₹15,941.61 lakhs in Fiscal 2022.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations through equity share capital and other equity, which includes retained profits, and borrowings. Our primary source of funding is cash flows from operations and borrowings. Our objective is to maintain appropriate levels of capital to support our business strategy taking into account the regulatory, economic and commercial environment. We aim to maintain a strong capital base to support the risks inherent to our business and growth strategies. We endeavor to maintain a higher capital base than the mandated regulatory capital at all times.

We actively manage our liquidity and capital position by regularly monitoring, our capital levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities.

Cash Flows

The following table sets forth certain information relating to the cash and cash equivalents at the end of the years indicated below:

Particulars	**For the year ended March 31,**		
	2024	**2023**	**2022**
	(₹ lakhs)		
Cash and cash equivalents at the end of the year/ period	3,544.27	5,875.04	11,548.96

The following table sets forth certain information relating to our cash flows in the years indicated:

Particulars	**For the year ended March 31,**		
	2024	**2023**	**2022**
	(₹ lakhs)		
Net cash used in operating activities	32,233.54	35,411.26	6,785.32
Net cash generated/ /(used in) investing activities	(11,737.81)	217.99	(13,625.15)
Net cash generated/(used in) financing activities	(22,807.40)	(40,089.38)	12,132.67
Net increase/ (decrease) in cash and cash equivalents	(23,11.67)	(4,460.13)	5,292.84

Operating Activities

Fiscal 2024

For Fiscal 2024 net cash generated from the operating activities was ₹32,233.54 lakhs. While our profit before tax was ₹16,276.24 lakhs, we had an operating profit before working capital changes of ₹62,334.84 lakhs, primarily due to depreciation and amortization expense of ₹15,810.36 lakhs, finance cost expenses of ₹29,646.60 lakhs. Our changes in working capital for the financial year 2024, primarily consisted of an increase in trade receivables of ₹24,976.08 lakhs, increase in inventories of ₹8,583.78 lakhs, decrease in current assets of ₹1,706.06 lakhs, increase in trade payables of ₹1,234.96 lakhs, increase in provisions of ₹434.87 lakhs, increase in other liabilities of ₹175.97 lakhs and income taxes paid of ₹93.30 lakhs.

Fiscal 2023

For Fiscal 2023 net cash generated from the operating activities was ₹35,411.26 lakhs. While our loss before tax was ₹7,522.67 lakhs, we had an operating profit before working capital changes of ₹33,084.65 lakhs, primarily due to depreciation and amortization expense of ₹16,403.32 lakhs, finance cost expenses of ₹25,723.17 lakhs and net gain on disposal of property, plant and equipment of ₹1,895.80 lakhs. Our changes in working capital for the financial year 2023, primarily consisted of an increase in trade receivables of ₹25,156.44 lakhs, increase in current assets of ₹502.74 lakhs, increase in trade payables of ₹3,172.79 lakhs and income taxes paid of ₹4,645.99 lakhs. partially offset by decrease in inventories of ₹30,632.63 lakhs, decrease in provisions of ₹207.56 lakhs and decrease in other liabilities of ₹966.08 lakhs.

Fiscal 2022

For Fiscal 2022 net cash generated from the operating activities was ₹6,785.32 lakhs. While our profit before tax was ₹21,032.51 lakhs, we had an operating profit before working capital changes of ₹55,009.98 lakhs, primarily due to depreciation and amortization expense of ₹15,842.56 lakhs, finance cost expenses of ₹18,117.08 lakhs. Our changes in working capital for the financial year 2022, primarily consisted of an increase in trade receivables of ₹6,234.16 lakhs, increase in inventories of ₹31,819.64 lakhs, increase in current assets of ₹16,652.56 lakhs, increase in trade payables of ₹7,938.97 lakhs, increase in provisions of ₹496.18 lakhs, increase in other liabilities of ₹234.51 lakhs and income taxes paid of ₹2,187.96 lakhs.

Investing Activities

Fiscal 2024

For Fiscal 2024 net cash used in investing activities was ₹11,737.81 lakhs, primarily comprising of payments for purchase of property, plant and equipment including capital work in progress, intangible assets and capital advances of ₹4,841.64 lakhs, investment in fixed deposits of ₹37,900.18 lakhs, income from investment property of ₹94.60 lakhs, interest received of ₹442.26 lakhs and proceeds from fixed deposits maturity of ₹30,467.15 lakhs.

Fiscal 2023

For Fiscal 2023 net cash flow from investing activities was ₹217.99 lakhs, primarily comprising of payments for purchase of property, plant and equipment including capital work in progress, intangible assets and capital advances of ₹972.93 lakhs and investment in fixed deposits of ₹16,901.49 lakhs, net cash inflow on account of purchase and sale of current investments of ₹353.70 lakhs, interest received of ₹539.97 lakhs and proceeds from fixed deposits maturity of ₹17,198.74 lakhs.

Fiscal 2022

For Fiscal 2022 net cash used in investing activities was ₹13,625.15 lakhs, primarily comprising of payments for purchase of property, plant and equipment including capital work in progress, intangible assets and capital advances of ₹14,758.28 lakhs and investment in fixed deposits of ₹42,137.71 lakhs, which was partially offset by a net cash inflow on account of purchase and sale of current investments of ₹700.46 lakhs, interest received of ₹284.59 lakhs and proceeds from fixed deposits maturity of ₹42,285.79 lakhs.

Financing Activities

Fiscal 2024

For Fiscal 2024 net cash used in financing activities was ₹22,807.40 lakhs, primarily due to proceeds from non-current borrowings of ₹36,916.16 lakhs, repayment of non-current borrowings of ₹13,927.28 lakhs, repayment from other current borrowings of ₹12,006.11 lakhs, proceeds from government subsidies of ₹1,289 lakhs, payment of lease liabilities of ₹1,843.32 lakhs and interest expense paid of ₹33,235.85 lakhs.

Fiscal 2023

For Fiscal 2023 net cash used in financing activities was ₹40,089.38 lakhs, primarily due to proceeds from non-current borrowings of ₹69,788.11 lakhs, repayment of non-current borrowings of ₹86,372.58 lakhs, proceeds from other current borrowings of ₹4,070.23 lakhs, proceeds from government subsidies of ₹2,748.47 lakhs, payment of lease liabilities of ₹2,249.03 lakhs, dividends paid on equity shares of ₹492.29 lakhs and interest expense paid of ₹27,582.29 lakhs.

Fiscal 2022

For Fiscal 2022 net cash flow from financing activities was ₹12,132.67 lakhs, primarily due to proceeds from non-current borrowings of ₹50,774.11 lakhs, repayment of non-current borrowings of ₹38,680.18 lakhs, proceeds from other current borrowings of ₹20,920.41 lakhs, proceeds from government subsidies of ₹5,549.92 lakhs, payment of lease liabilities of ₹1,942.18 lakhs, dividends paid on equity shares of ₹492.29 lakhs and interest expense paid of ₹23,997.12 lakhs.

Financial Indebtedness and Contractual Obligations

As of March 31, 2024, our total borrowings of ₹2,79,812.76 lakhs consisted of current borrowings of ₹1,20,796.32 lakhs and non-current borrowings of ₹1,59,016.44 lakhs. The following table sets forth certain information relating to outstanding indebtedness as of March 31, 2024 and our repayment obligations in the periods indicated:

	Payment due by period				
	Carrying amount	**Total**	**0-1 years**	**1-5 years**	**5 years and above**
	(₹ lakhs)				
Borrowings	2,79,812.76	3,45,005.83	1,37,854.06	1,68,380.57	38,771.20
Trade payables	84,150.46	84,150.46	84,150.46	-	-
Lease liabilities	9,971.90	12,070.71	1,503.02	7,222.46	3,345.23
Other financial liabilities	6,371.42	6,371.42	6,371.42	-	-

Contingent Liabilities and Capital Commitments

The following table sets forth our contingent liabilities as per Ind AS 37 and capital commitments as of March 31, 2024:

Particulars	**As of March 31, 2024 (₹ lakhs)**
Contingent liabilities	
(a) Claims against the Group not acknowledged as debt	
- Income tax matters	418.45
- Custom, service tax and excise duty related matter (excludes penalties, if any)	1,521.25
(b) Guarantees outstanding	18,342.26
Capital commitments	
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	3,170.32

Off-Balance Sheet Commitments and Arrangements

Other than as disclosed in this Placement Document, we have no other off-balance sheet commitments and arrangements that materially affect our financial condition or results of operations.

Capital Expenditures

Our historical capital expenditure consists of acquisition of property, plant and equipment, intangible assets and capital work in progress as well as research and development. In Fiscal 2022, 2023 and 2024, our capital expenditure was ₹5,579.24 lakhs, ₹1,932.64 lakhs and ₹ 3,288.70 lakhs, respectively, towards acquisition of property, plant and equipment as well as research and development.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "*Related Party Transactions*" on page 43.

Quantitative and Qualitative Disclosure about Market Risk

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Bank deposits includes an amount of ₹11,682.70 lakhs as of March 31, 2024 held with a bank having high quality credit rating which is individually in excess of 10% or more of the Group's total bank deposits for the year ended March 31,2024. None of the other financial instruments of the Group result in material concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements. Management monitors rolling forecast of the Group's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are USD, GBP, EURO etc. Management monitors the movement in foreign currency and the Group's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Group decides to exchange its foreign currency. A significant portion of the Group's revenues are in foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to foreign currencies, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative and non-derivative financial instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities. All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates.

Interest rate risk

Interest rate risk primarily arises from floating rate borrowings, including various revolving and other lines of credit. The Group's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Group's borrowings comprises of term loans, working capital loans and bill discounting which carries variable rate of interest, which expose it to interest rate risk.

Auditor's Observations

Except as disclosed in "*Risk Factors 19. Our Statutory Auditors have included certain emphasis of matter, and/or certain qualifications or adverse remarks of the statutory auditors in respect of certain entities in our Group on certain matters specified in the Companies (Auditor's Report) Order, 2020 ("CARO"), in their reports on our audited consolidated financial statements for Fiscals 2022, 2023 and 2024*" , our statutory auditors have not included any qualifications, reservations, adverse remarks or emphasis of matter or qualifications in their auditor's reports in the last five Fiscals and the three-month periods end June 30, 2024.

Interest Coverage Ratio

The interest coverage ratio for the periods indicated below are as follows:

Particulars	Fiscal		
	2022	2023	2024
	(₹ Lakhs, except ratios)		
Profit/(Loss) before Tax	21,032.51	(7,522.67)	16,276.24
Finance costs	18,117.08	25,723.16	29,646.60
Earnings Before Interest and Tax	39,149.59	18,200.49	45,922.84
Interest Coverage Ratio	2.16	0.71	1.55

Unusual or infrequent Events or Transactions

Except as described in this Placement Document, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*—Significant Factors affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 334 and 44, respectively. Except as discussed in this Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income.

Significant Economic Changes that Materially Affect or are Likely to Affect Income from Continuing Operation

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*—Significant Factors affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 334 and 44 respectively.

Recent accounting pronouncements

As on the date of this Placement Document, there are no recent accounting pronouncements, which we believe would have a material effect on our financial condition or results of operations.

New Products or Business Segments

Except as described in this Placement Document, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and the introduction of new products.

Future Relationship Between Cost and Income

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 44, 306 and 332 respectively, there are no known factors that will have a material adverse impact on our operations and financial condition.

Significant Dependence on a Single or Few Customers or Suppliers

We do not believe our business is dependent on any single or a few customers.

Competitive Conditions

We operate in a competitive environment. See sections, "*Our Business*", "*Industry Overview*", "*Risk Factors— 6. We manufacture and distribute home textile products worldwide. Any inability to expand or successfully compete with our competitors in terms of wider product portfolio, brand recognition and marketing or inability to effectively manage our growing distribution and sales network may have an adverse effect on our business, cash flows, results of operations and financial condition.*" and "*— Significant Factors affecting our Results of Operations and Financial Condition – Competition*" on pages 306, 359, 47 and 335, respectively.

Seasonality/Cyclicality of Business

Our business may be affected by seasonal trends in the Indian economy. For further information, see "*Risk Factors – 48. The seasonality of our business may contribute to fluctuations in our results of operations and financial condition.* " on page 69.

Significant Developments after June 30, 2024 That May Affect our Future Results of Operations

No circumstances have arisen since June 30, 2024 that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry report titled "Textiles Industry in India" dated October 24, 2024, (the "**CRISIL Report**"), prepared and issued by CRISIL MI&A, which has been exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Issue. The information contained in this section is taken from the CRISIL Report. Neither we, nor any other person connected with the Issue has independently verified all the information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

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For more information, see "Risk Factors - Industry information included in this Placement Document has been derived from an industry report exclusively commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate." on page 69. Also see, "Industry and Market Data" on page 12.

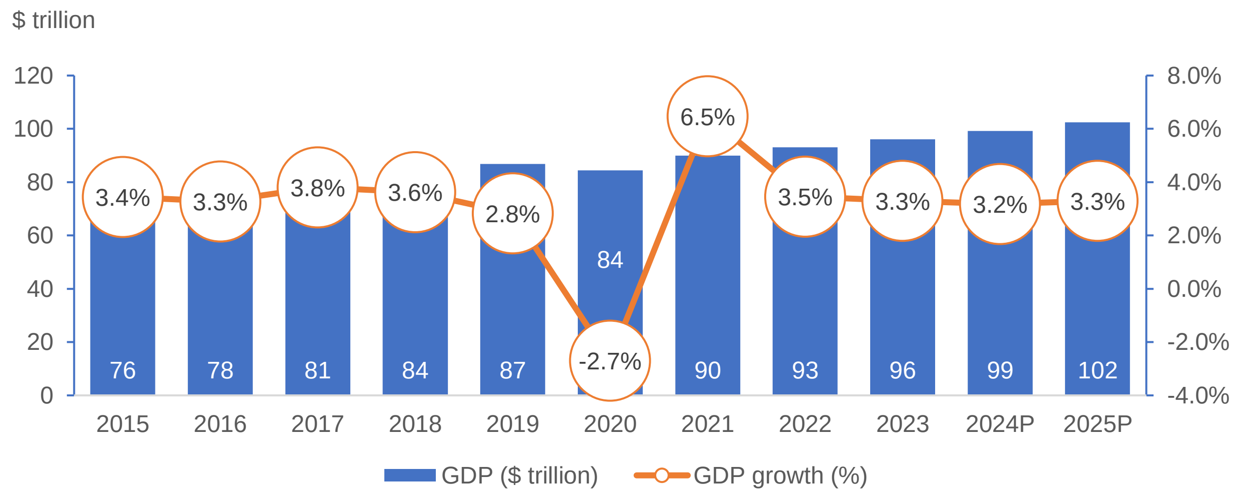
1 Global macroeconomic assessment

Global GDP is estimated to grow at 3.2% and 3.3% in CY2024 and CY2025 respectively amid moderating inflation and steady growth in key economies

As per the International Monetary Fund's (IMF) July 2024 update, global gross domestic product (GDP) growth is estimated at 3.3% for 2023 and projected to grow at 3.2% and 3.3% during 2024 and 2025 respectively. The latest estimate for 2024 remains same as the IMF's previous forecast in April 2024. However, there is slight shift the dynamics, with growth in advanced economies expected to converge in coming quarters which is set off by the growth in emerging market and developing economies getting revised upwards supported by economic activity in Asia, particularly China and India.

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, USD trillion)



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

1.1 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 CY2021, 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 ~9.7%, was the fastest growing in CY2021 (fiscal 2022), followed by China at 8.5%. 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 7.8% in CY2022 (fiscal 2023). Moving forward, India's GDP is projected to grow at 7.0% 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	3.0	2.5	-2.2	5.8	1.9	2.5	2.6	1.9
Euro area	1.8	1.6	-6.1	5.9	3.4	0.5	0.9	1.5
UK	1.4	1.6	-10.4	8.7	4.3	0.1	0.7	1.5
China	6.8	6.0	2.2	8.5	3.0	5.2	5.0	4.5
India*	6.5	3.9	-5.8	9.7	7.0	8.2	7.0	6.5
Advanced economies^	2.3	1.8	-3.9	5.7	2.6	1.7	1.7	1.8
Emerging market and developing economies^	4.7	3.6	-1.8	7.0	4.1	4.4	4.3	4.3
World	3.6	2.8	-2.7	6.5	3.5	3.3	3.2	3.3

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

^ *Countries considered as a part of Advanced economies and Emerging and developing economies as per IMF are mentioned in the annexure of this report*

* *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 estimates of National Income from MOSPI, India GDP growth: 9.8% in fiscal 2022, 7.0% in fiscal 2023 and 8.2% in fiscal 2024*

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

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

Global GDP per capita clocked a CAGR of 3.1% between CY2018 and CY2023, as per the International Monetary Fund (IMF) data. Meanwhile, India's per capita 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	CY2023 E	CY2024 P	CY2025 P	CAGR (CY2018 -23E)
Canada	46,618	46,431	43,573	52,521	55,613	53,548	54,866	57,021	4.11%
China	9,849	10,170	10,525	12,572	12,643	12,514	13,136	14,037	7.34%
Euro area	39,866	39,014	37,938	42,587	41,062	44,463	45,826	47,322	3.49%
India	1,974	2,050	1,916	2,250	2,366	2,500	2,731	2,984	8.61%
Japan	39,850	40,548	40,172	40,114	34,005	33,806	33,138	34,922	-2.61%
United Kingdom	43,275	42,713	40,246	46,704	45,730	49,099	51,075	53,627	4.38%
US	63,165	65,505	64,367	70,996	77,192	81,632	85,373	87,978	6.85%
Advanced economies^	48,191	48,481	47,476	52,853	53,562	56,243	58,258	60,382	4.61%
Emerging market and developing economies^	5,366	5,417	5,152	5,982	6,326	6,432	6,703	7,030	5.55%
World	11,472	11,518	11,111	12,527	12,894	13,359	13,836	14,368	4.61%

^ *Countries considered as a part of Advanced economies and Emerging and developing economies as per IMF are mentioned in the annexure of this report*

Source: IMF, CRISIL MI&A

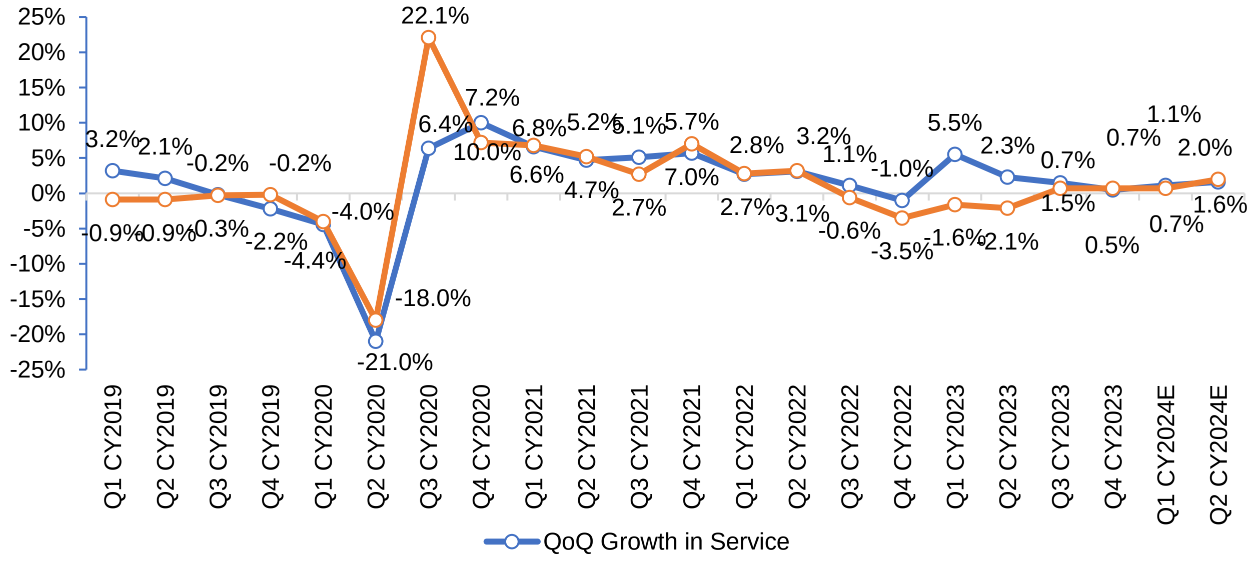
1.3 Global trade was relatively flat in CY2023, likely to log moderate growth in CY2024

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 first quarter of 2024, saw a moderate and steady growth in global trade global trade, building on the momentum from the latter half of 2023. The United States and developing countries, particularly the largest Asian economies, drove this growth with their strong trade dynamics. Both merchandise and services trade saw quarter-over-quarter increases in Q1 and Q2 of 2024 .

Going ahead, moderating global inflation and improving economic growth suggest a potential reversal of the downward macroeconomic trends that characterised most of CY2023. Growing demand for products related to energy transition and artificial intelligence is expected to support trade growth during CY2024. Additionally, any interest rate cuts in the United States later this year could lead to a weaking of US dollar, providing a further boost to global trade.

Having said that, rising geopolitical tensions and increasing shipping costs remain key factors to monitor, as they could impact the global trade scenario.

Global quarterly trade of goods and services



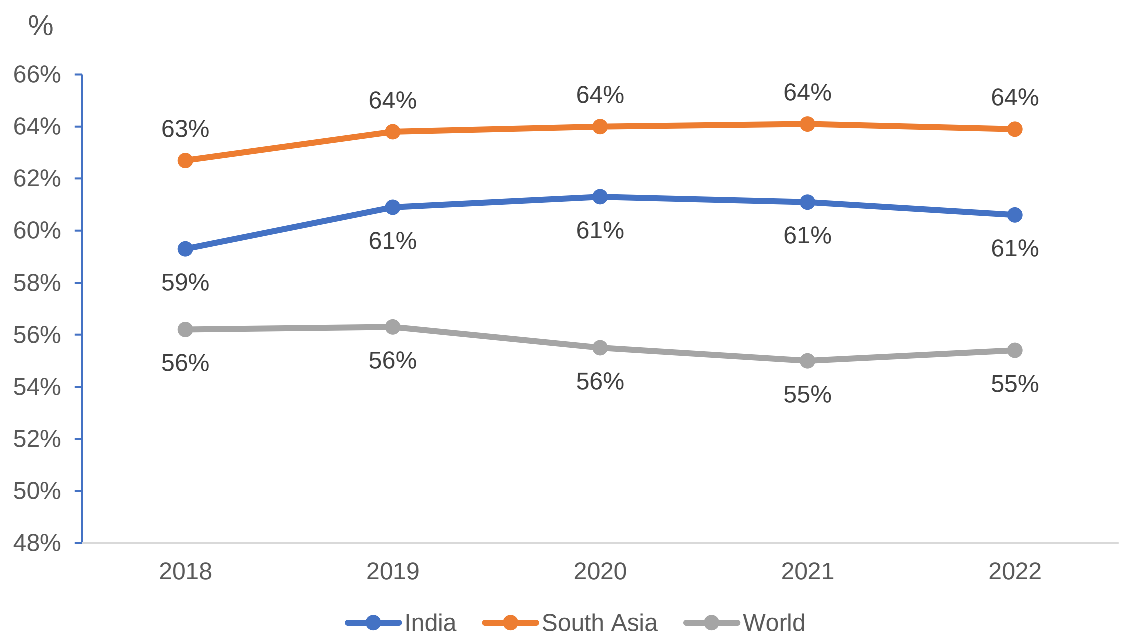
E: estimated; P: projected
Source: World Trade Organization, UNCTAD Global Trade Update, CRISIL MI&A

1.4 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



For 2023, household consumption as percent of GDP for India and South Asia stands at 60% and 63% respectively
Source: World bank, CRISIL MI&A

2 Macroeconomic overview of India

2.1 REVIEW OF INDIA'S GDP GROWTH

1.5 GDP registered a CAGR of 5.9% between fiscal 2012 and fiscal 2024

India's GDP grew at 5.9% CAGR between fiscal 2012 and fiscal 2024 to Rs 174 trillion in fiscal 2024. A large part of the lower growth rate was because of challenges heaped by the Covid-19 pandemic in fiscal 2020 and fiscal 2021. In fiscal 2022, the economy recovered with abating of the pandemic and subsequent easing of restrictions and resumption in economic activity.

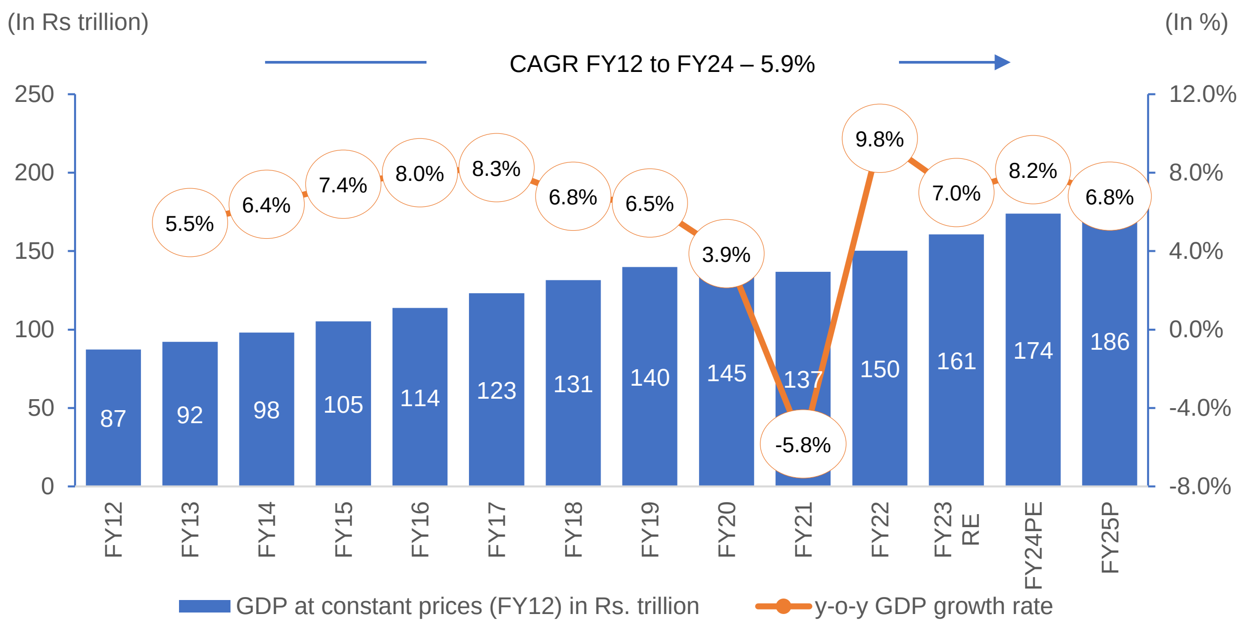
In fiscal 2023, GDP rose 7% on continued strong growth momentum, propelled by investments and private consumption. The share of investments in GDP was at 33% and that of private consumption was at 58%.

The National Statistics Office (NSO) in its provisional estimates of annual Gross Domestic Product (GDP) for fiscal 2024, estimated India's real GDP growth to be 8.2% which is higher than its Second Advanced Estimate of 7.6%. Even as the agricultural economy slowed sharply following a weak monsoon, the surge in non-agricultural economy has more than made up for it. The government's 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 owing to waning pent-up demand (post the 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 sectors.

Analysis of the fiscal 2024 year's growth reveal notable dichotomies. Growth has primarily been fuelled by fixed investments, exhibiting a robust 9.0% expansion, while private consumption growth lagged at ~4%, trailing overall GDP growth. On the supply side, the manufacturing sector experienced the most substantial growth at ~9.9%, while the agriculture exhibited more modest growth rate of 1.4%.

After a strong GDP print in the past three fiscals, CRISIL expects GDP growth to moderate in fiscal 2025 as fiscal consolidation will reduce the fiscal impulse to growth, rising borrowing costs and increased regulatory measures could weigh on demand, net tax impact on GDP is expected to normalize, and exports could be impacted due to uneven growth in key trade partners and any escalation of the global economic crisis. On the other hand, another spell of normal monsoon and easing inflation could revive rural demand. At an overall level, India's real GDP is expected to be 6.8% in fiscal 2025.

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



RE – revised estimates, PE – Provision estimates, P – projection
Notes: The values are reported by the government under various stages of estimates
Actuals, estimates and projected data of GDP are provided in the bar graph
Source: Ministry of Statistics and Programme Implementation (MoSPI), CRISIL MI&A

1.6 Healthy growth of GVA in fiscal 2024

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 estimated to have reached Rs 268 trillion, up from Rs 247 trillion, in fiscal 2023, registering a growth of 8.5%. Overall, GVA has registered a CAGR of 10.5% 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(PE) with the share of 22.7%, 17.7% and 17.5% respectively.

GVA at current prices

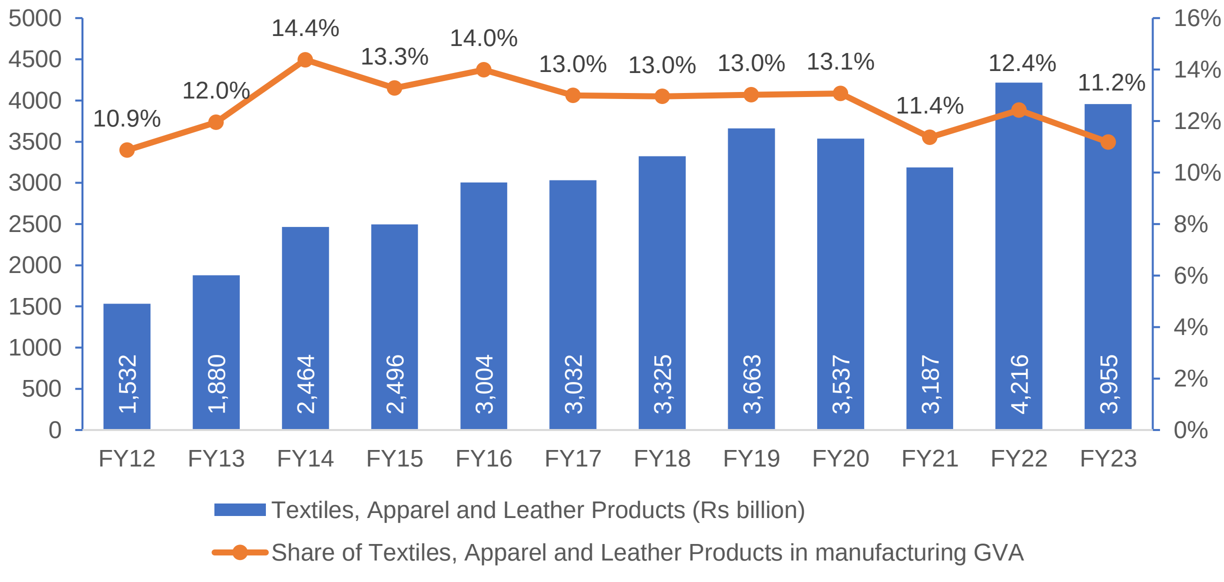
Rs trillion	FY12	FY19	FY20	FY21	FY22 (RE)	FY23 (RE)	FY24 (PE)	Share in GVA FY24	FY12 - FY24 CAGR
Agriculture, forestry, and fishing	15	30	34	37	41	45	47	17.7%	10.0%
Mining and quarrying	3	4	4	3	4	5	5	2.0%	6.0%
Manufacturing	14	28	27	28	34	35	38	14.3%	8.7%
Electricity, gas, water supply & other utility services	2	4	5	5	6	6	7	2.5%	11.1%
Construction	8	14	14	13	18	22	24	8.9%	9.8%
Trade, Hotels, Transport, Communication & Services related to Broadcasting	14	32	35	29	37	44	47	17.5%	10.5%
Financial, Real Estate & Professional Services	15	35	39	40	46	55	61	22.7%	12.2%
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**	**268**		**10.5%**

Note: RE: revised estimates, PE: provisional estimates
Source: MoSPI, CRISIL MI&A

1.7 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 11.2% in fiscal 2023, up from 10.9% in fiscal 2012. In absolute terms, GVA of textile, apparel and leather industry at current prices grew to Rs 3,955 billion in fiscal 2023, on a base of Rs 1,532 billion in fiscal 2012, thereby registering a CAGR of 9.0%.

Textiles, Apparel and Leather products GVA (current price)



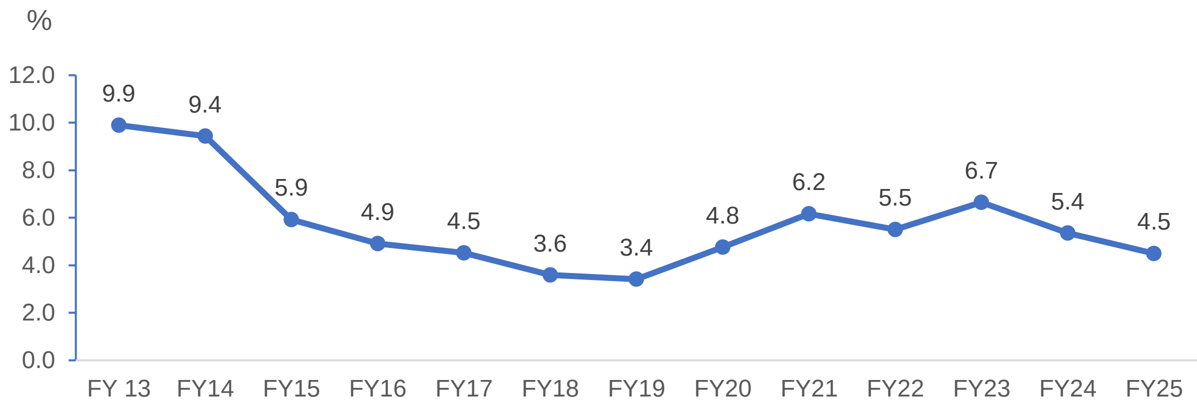
Source: Ministry of Statistics and Programme implementation, CRISIL MI&A

1.8 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.

In fiscal 2024, CPI eased to 5.4%, driven by normal monsoon and reducing food prices. In fiscal 2025, CPI inflation is expected to broadly ease to 4.5% on-year from 5.4%. Softer headline inflation forecast is primarily premised on lower food inflation assuming a normal monsoon and on the back of the high base of fiscal 2024.

CPI inflation trend



P: Projected
Source: CRISIL MI&A

1.9 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 55.8% to the GDP. PFCE at constant prices clocked 5.8% 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.

1.10 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 PE	CAGR FY12-FY24
PFCE (Rs trillion)	49	52	56	59	64	69	73	79	83	78	87	93	97	5.8%
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%	55.8%	-
Share of discretionary spending in PFCE	53.4%	53.2%	52.7%	54.8%	57.1%	57.0%	58.3%	59.2%	59.7%	56.7%	57.8%	59.1%	N. A	-

RE: Revised estimates, PE: Provisional 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

1.11 Expenditure in clothing & footwear logged a CAGR of 3.4% growth during fiscal 2012-23

Within PFCE, expenditure in clothing & footwear logged a CAGR of 3.4% between fiscal 2012 to fiscal 2023. 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. However, expenditure on clothing and footwear saw major uptick in fiscal 2022 and stood at ~Rs. 4,946 billion compared to Rs 3,847 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 2023, the clothing PFCE occupies a share of 80% in the clothing and footwear PFCE. Additionally, share of total clothing and footwear PFCE in the total PFCE stands at 4.8% in fiscal 2023.

Breakup of clothing and footwear PFCE – at constant prices

PFCE	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
PFCE (Rs Billion)												
Clothing PFCE	2,504	2,609	3,098	3,038	3,255	3,336	3,406	3,521	3,428	3,003	3,938	3,598
Clothing and Footwear	3,115	3,158	3,766	3,857	4,211	4,233	4,313	4,490	4,534	3,847	4,946	4,508
Clothing PFCE share (%) in clothing and footwear	80%	83%	82%	79%	77%	79%	79%	78%	76%	78%	80%	80%
Clothing and footwear share in overall PFCE (%)	**6.3%**	**6.1%**	**6.7%**	**6.5%**	**6.6%**	**6.1%**	**5.8%**	**5.7%**	**5.5%**	**4.9%**	**5.7%**	**4.8%**

Source: National account statistics 2024, MoSPI, CRISIL MI&A

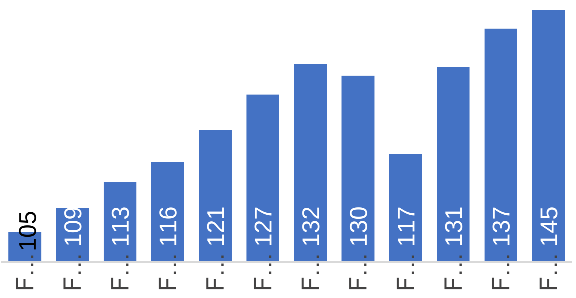
2.2 FUNDAMENTAL GROWTH DRIVERS OF GDP

1.12 Manufacturing IIP further improved in fiscal 2023 indicating increased commercial activities

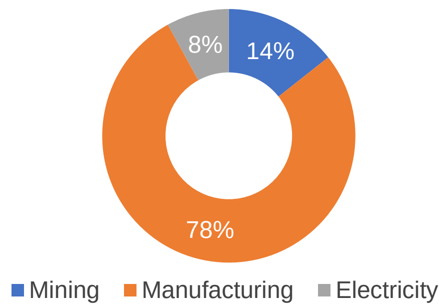
The Index of Industrial Production (IIP) for manufacturing saw steady growth from 105 in fiscal 2013 to 145 in fiscal 2024. The manufacturing sector is a significant contributor to the country's overall industrial growth, with 78% weightage in the overall IIP as of fiscal 2024.

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.

Manufacturing IIP (FY13-24)



Weight of manufacturing in IIP (FY23)

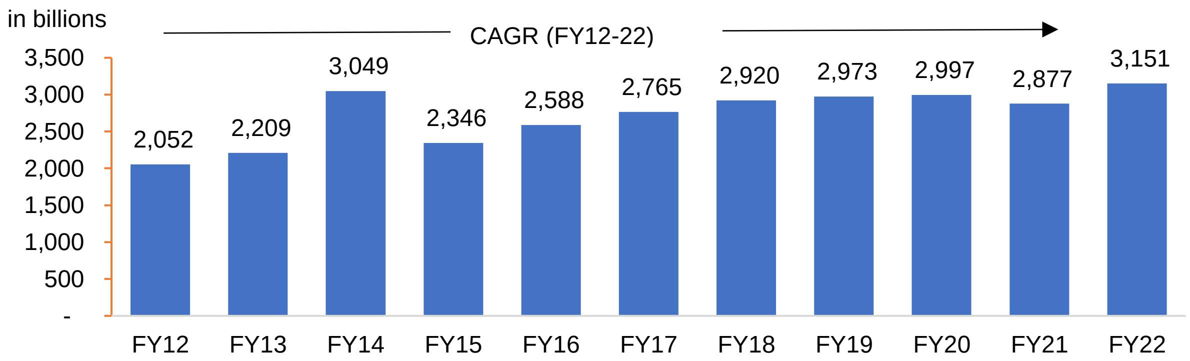


Note: FY12 is the base year for the Manufacturing IIP index (FY12=100)
Source: MoSPI, CRISIL MI&A

1.13 Investments in textile and wearing apparel segment have grown at ~4.4% CAGR between fiscals 2012 and 2022

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.

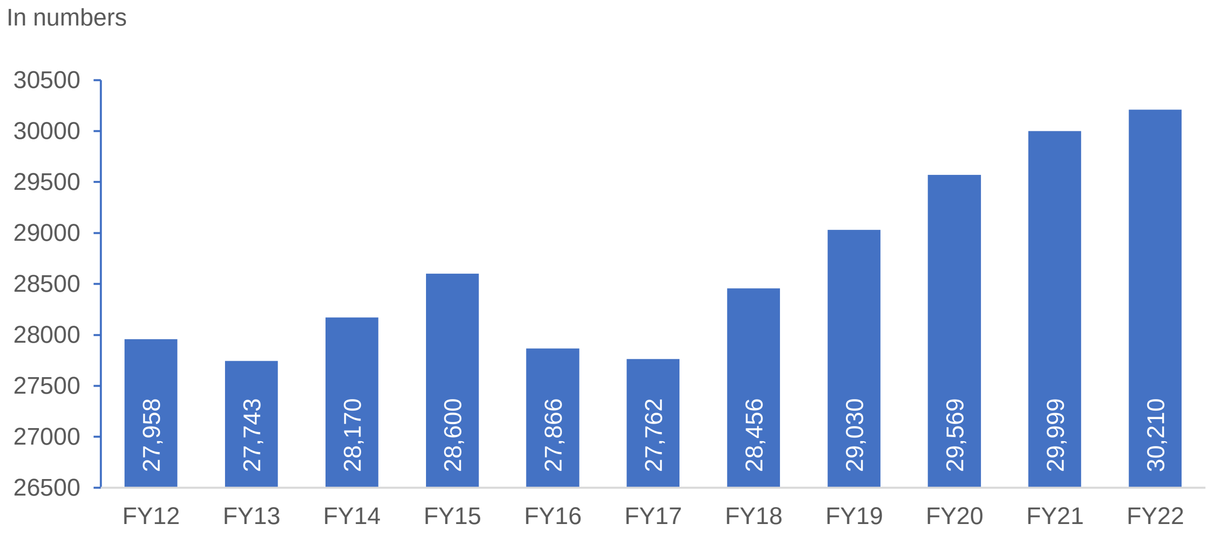
Investments in textile and wearing apparel industries



Note: fiscal 2022 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

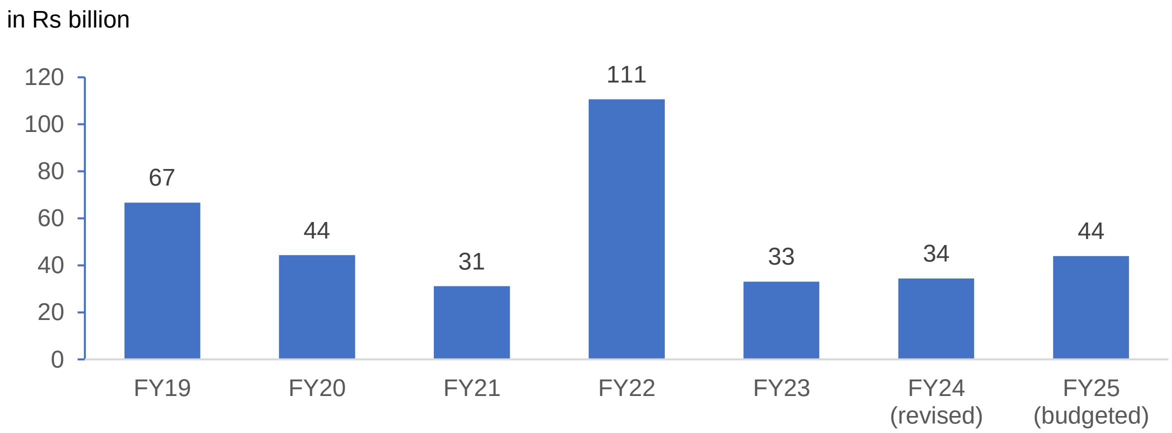


Note: FY22 numbers are as per latest ASI data released in February 2024
Source: ASI, MoSPI, CRISIL MI&A

1.14 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 6 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 – Ministry of Textiles



Source: Budget documents, CRISIL MI&A

1.15 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 Textiactles 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

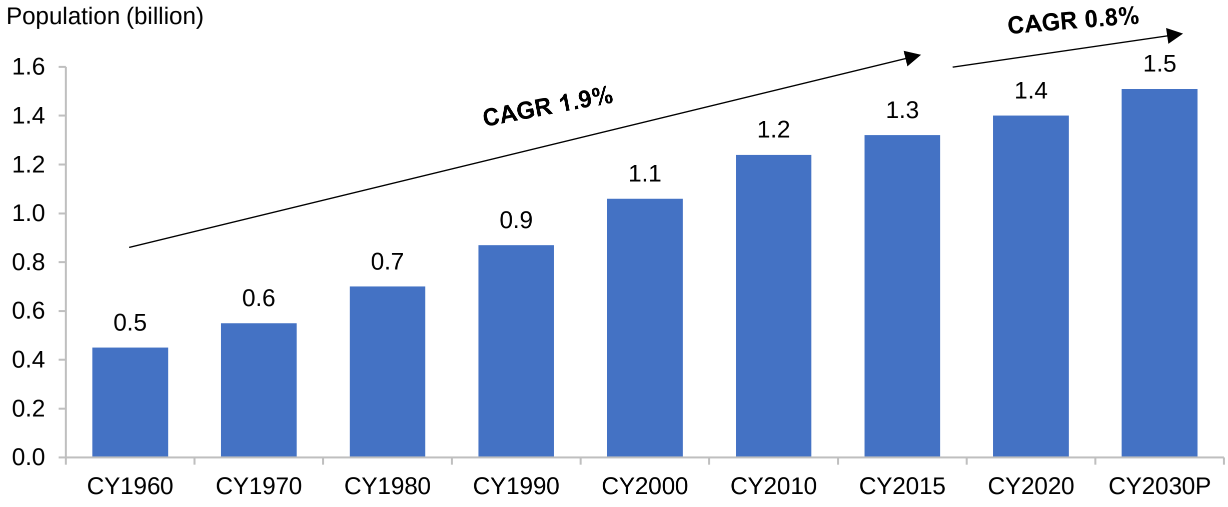
Source: PIB, Ministry of Textiles, CRISIL MI&A

1.16 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.

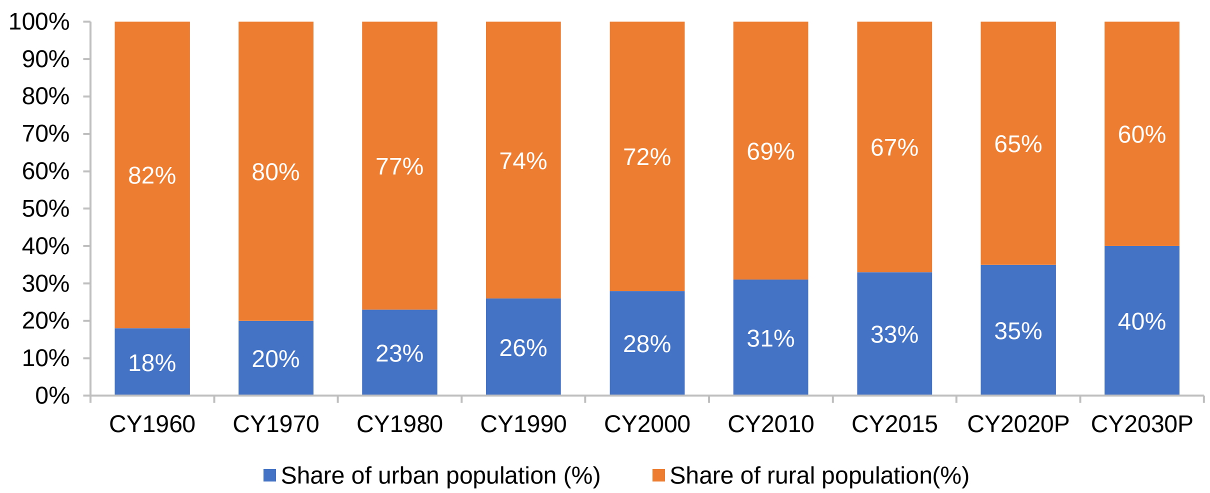
Also, India's urban population is expected to continue to rise on the back of economic growth. The share of urban population is projected to increase to nearly 40% by 2030, according to a UN report on urbanisation.

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						

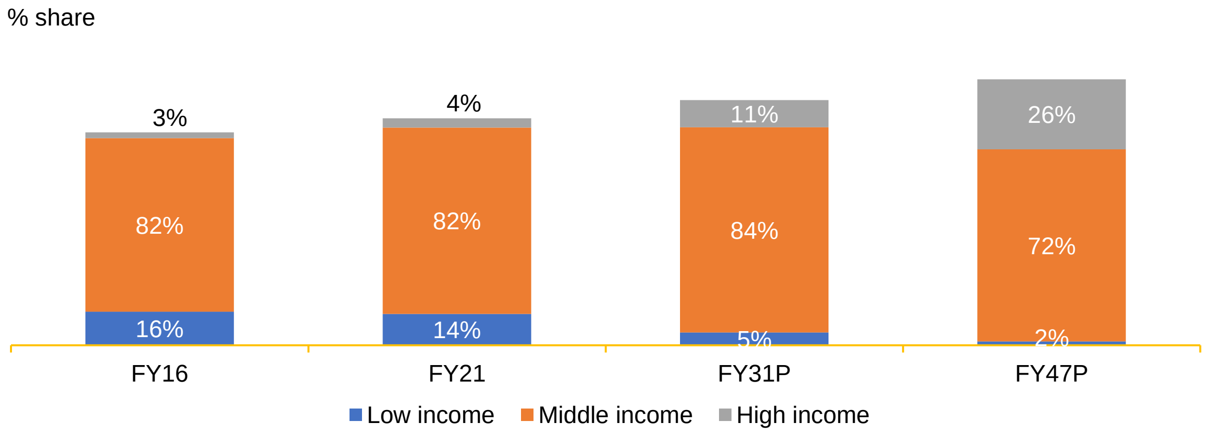
Country	0-14 years	15-24 years	25-49 years	50-69 years	70+	Total
CY2010	18.5%	16.6%	40.3%	19.0%	5.7%	100%
CY2020	18.0%	11.4%	37.6%	25.5%	7.5%	100%
CY2030P	13.1%	12.3%	34.0%	28.6%	12.0%	100%
India						
CY2010	31.0%	19.1%	33.9%	12.9%	3.1%	100%
CY2020	26.1%	18.2%	36.2%	15.5%	3.9%	100%
CY2030P	22.3%	16.2%	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

1.17 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

1.18 Robust growth in per capita income over FY12-24

India's per capita income, a broad indicator of living standards, rose from Rs 63,462 in FY12 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 fiscal 2024 provisional estimates, per capita net national income (constant prices) is estimated to have increased to Rs 106,774; thereby registering a year-on-year growth of ~7.4%.

Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 RE	FY23 RE	FY24P E
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	106,744
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	7.4

Note: RE: revised estimates, PE: provisional estimates
Source: 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.

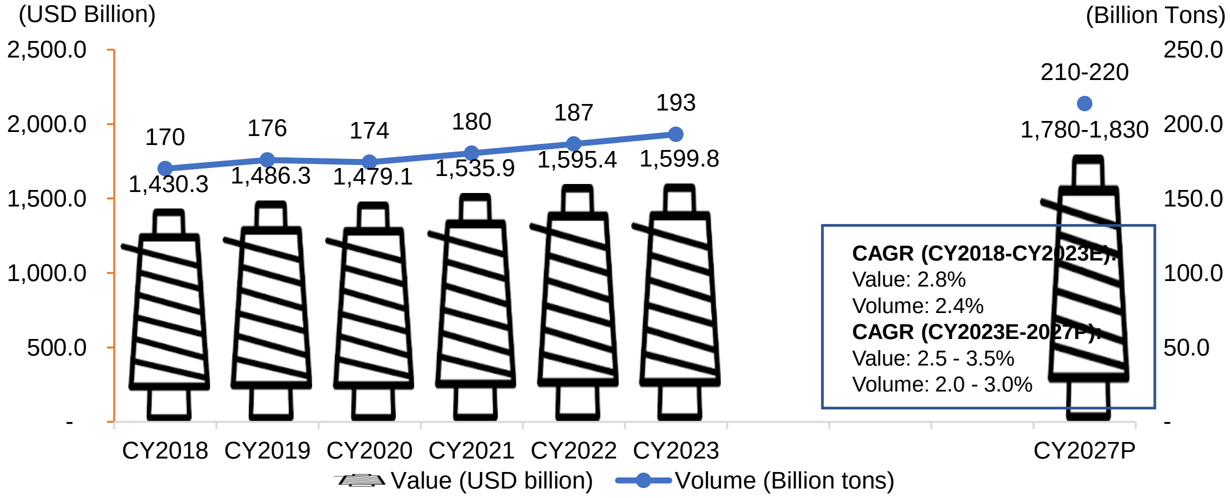
3.1 AN OVERVIEW OF GLOBAL TEXTILES INDUSTRY

1.19 Global textile market expected to grow at 2.5-3.5% CAGR between CY2023-CY2027 in value terms

The global textile industry has grown consistently between CY2018 to CY2023, barring CY2020, which saw a decline due to Covid-19. Global trade restrictions due to disrupted supply chain and decline in textile products 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 3.9% in CY2022 and 0.3% in CY2023.

Going ahead, the industry is expected to grow at a CAGR of 2.5 - 3.5% between 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



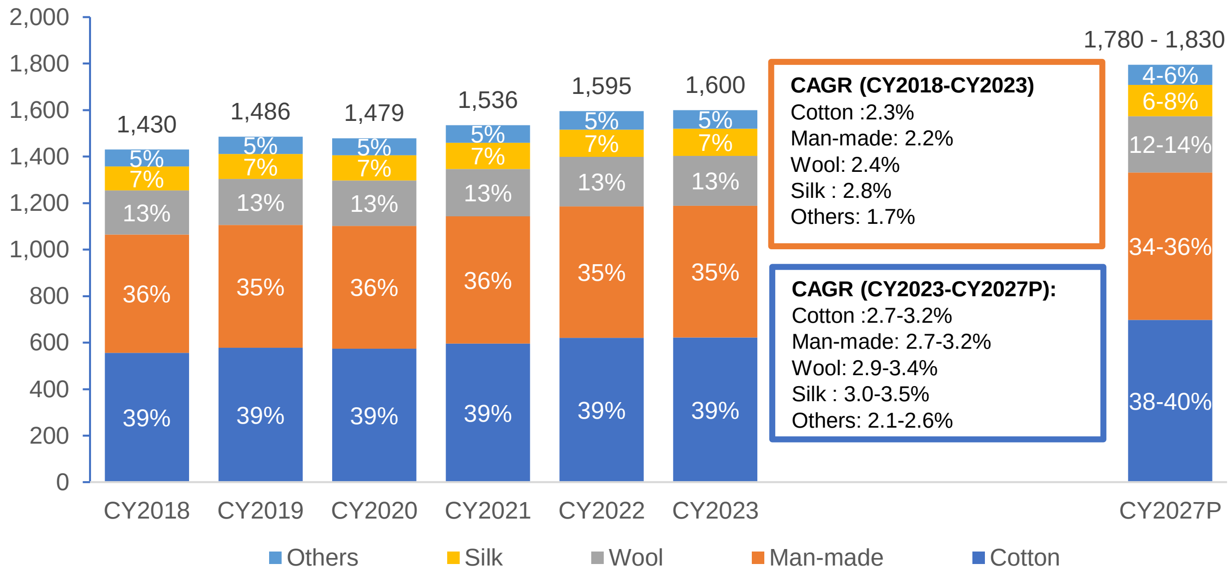
Source: Grandview Research, CRISIL MI&A

1.20 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-CY2023 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.

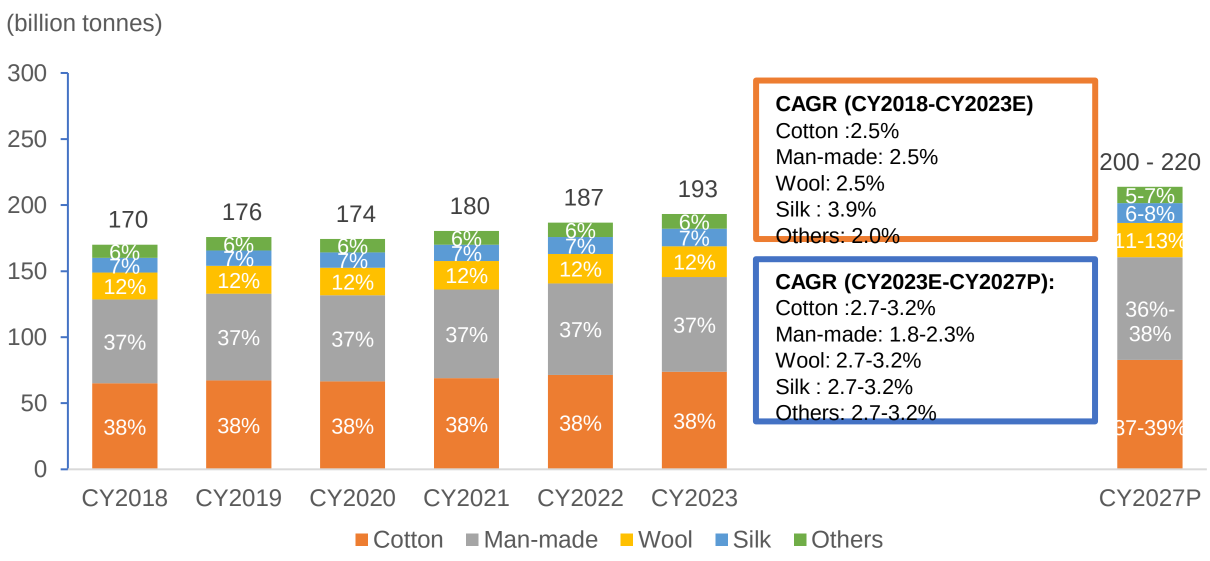
Global textile sales by raw material (value)



The values for % share mentioned in the above graph are rounded off to closest whole number
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-CY2027 compared to a CAGR of ~2.4% between CY2018-CY2023.

Global textile sales by raw material (volume)



The values for % share mentioned in the above graph are rounded off to closest whole number
Source: Grandview Research, CRISIL MI&A

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

Natural fibers dominated the textile market between CY2018-CY2023, accounting for ~44% share in value terms 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.

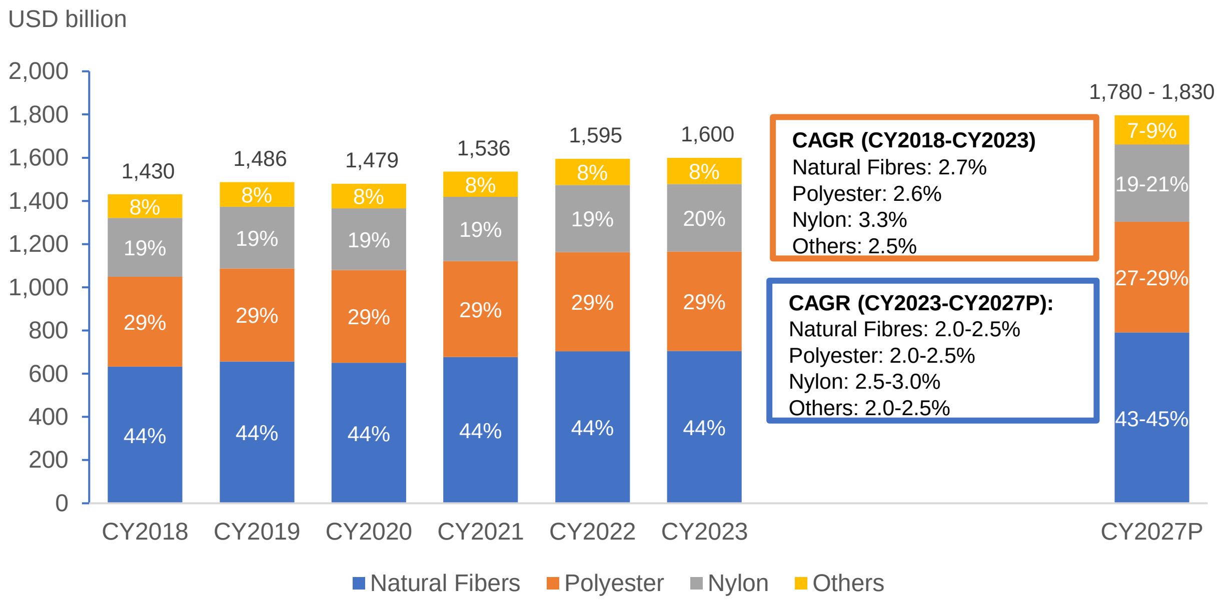
Polyester had the second highest market share between CY2018-CY2023 at 29%, owing to its various features such as high strength, chemical and wrinkle resistance, and quick drying. It is utilized in both households and industries as a cushioning and insulating material in pillows, as well as in the manufacturing 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



The values for % share mentioned in the above graph are rounded off to closest whole number
Source: Grandview Research, CRISIL MI&A

3.2 INTERNATIONAL PRICE TRENDS OF KEY RAW MATERIALS IN TEXTILE INDUSTRY

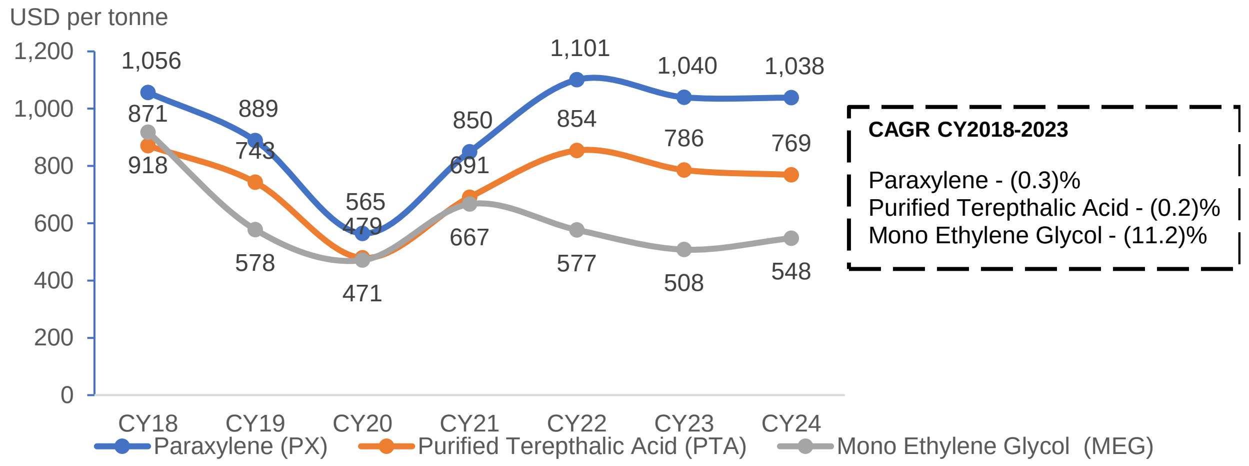
1.22 Polyester feedstock prices dip in 2023 in tandem with crude oil

Paraxylene (PX), Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG) are the major raw materials used in 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-CY2020, 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 CY2018-2024*



Year	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024*
Crude oil Price (USD per barrel)	71	64	42	70	100	83	84

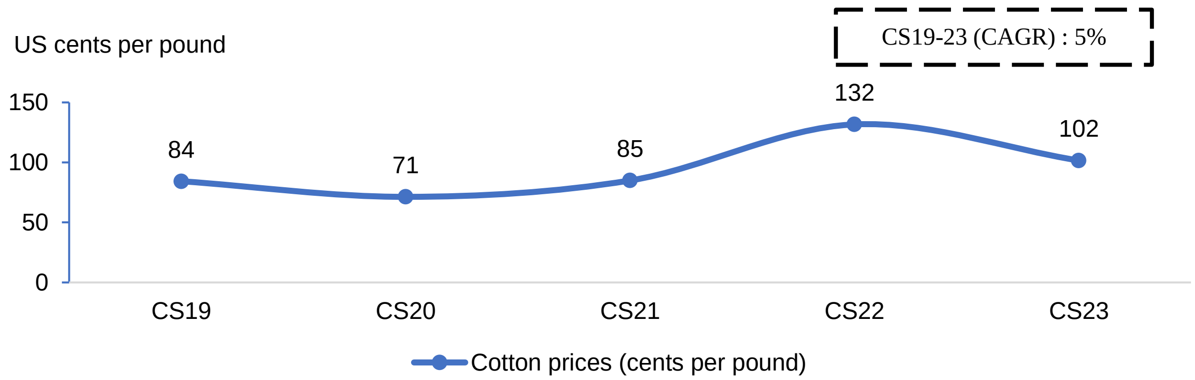
Note:
* *CY24 is data as of June month*
Prices of PX, PTA and MEG are as per Cost and Freight (CFR) Southeast Asia
Price of crude oil is for dated brent
Source: Industry publication, CRISIL MI&A

1.23 Cotton prices saw a decline in CS(cotton season) 2023 owing to increased production

Cotton is one of the major raw materials in textile industry used 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 reaching 102 US cents per pound for CS23.

The cotton prices saw an uptick of ~55% in CS2022, owing to demand revival post Covid-19 coupled with global macroeconomic tensions involving Russia – Ukraine war. Further, in CS2023, the prices saw a dip of ~23% owing to increased production in major countries like Brazil.

Trend of cotton prices CS19-23



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

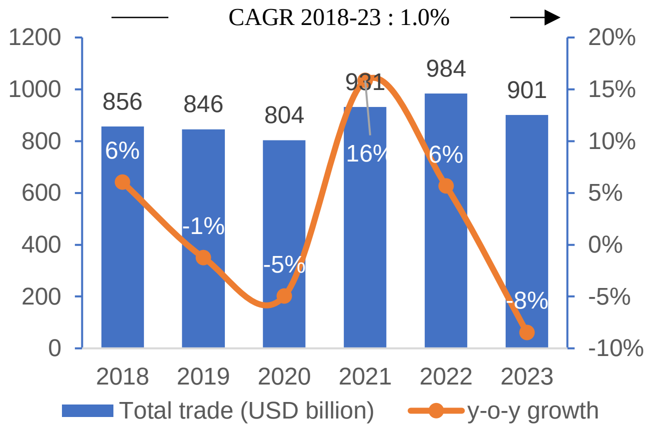
3.3 Overview of Global Textile Trade

1.24 Home textiles make up 6% of global textile trade as of CY2023

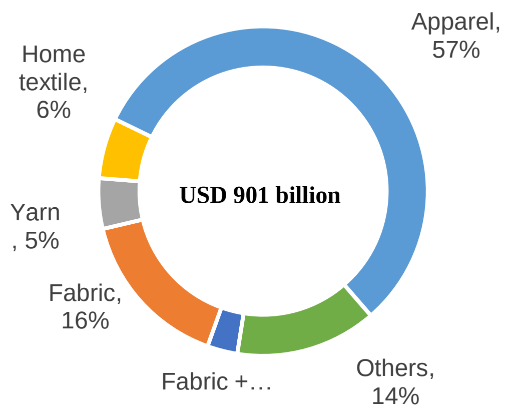
Global textile trade has grown at a CAGR of ~1.0% between CY2018-CY2023 and was valued at USD 901 billion as of CY2023. On Y-o-Y basis, CY2020 witnessed a decline in global exports due to Covid-19 pandemic and it had negative implication on global supply chains and overall consumer sentiment. However, the trade rebounded in CY2021, registering a y-o-y increase of 15.8% to USD 931 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 5.7%, however inflationary pressures along with weak consumer sentiment in major export markets like US and EU restricted further growth in CY2023, leading the industry to see a decline of 8.5%.

Additionally, within textiles, apparels dominated the global trade with a share of 57%, followed by fabrics and home textiles at 16% and 6% respectively as of CY2023. Furthermore, home textiles segment has registered a steady 1.6% growth between CY2018 to CY2023.

Global textile trade (CY2018-2023)



Breakup of global textile trade (CY2023)



	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023
Home textile share (%)	6%	6%	6%	7%	6%	7%

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
Source: ITU, CRISIL MI&A

1.25 India was the sixth highest exporter of textiles in CY2023

As of CY2023, China, Bangladesh and Vietnam were the top three exporters of textiles with a share of 33%, 6% and 5% respectively; compared to CY2019, when China, Bangladesh and Germany were top three exporters.

India's share in overall global trade has remained constant at ~4% and stood at USD 35 billion in CY2023. 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.

However, recently on 10th March 2024, Government of India has signed Trade and Economic Partnership Agreement (TEPA) with European Free Trade Association (EFTA) countries comprising Switzerland, Iceland, Norway & Liechtenstein.

Major textile exporters

Exporters	CY2018		CY2023		CAGR CY2018 - 2023
	USD Billion	% share in total trade	USD Billion	% share in total trade	% growth
China	276	32%	301	33%	2%
Bangladesh	42	5%	50	6%	4%
Viet Nam	37	4%	48	5%	5%
Germany	40	5%	44	5%	2%
Italy	39	5%	43	5%	2%
India	38	4%	35	4%	-2%
Türkiye	28	3%	33	4%	3%
USA	28	3%	27	3%	0%
France	19	2%	23	3%	4%
Netherlands	17	2%	21	2%	4%

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

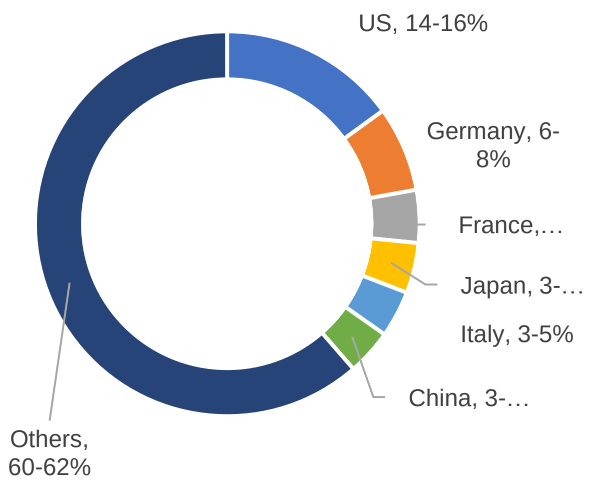
1.26 Based on global textile trade data, US, Germany, France key import markets; while China, Bangladesh, Italy key producer markets in CY2023

As of CY2023, US was the largest import market of textiles in the world with a share of 14-16% based on import value of textiles – textile Import value for US (CY2023) is USD 119.1 billion. US has a strong demand for apparels / readymade garments and home textiles driven by high income and diverse consumer preferences. US is followed by Germany and France. Strong economy, high disposable income, fashion consciousness contributes to these markets having high consumption of textiles which further aids the imports to these markets. Japan is another key textile import market driven by its fashion culture, tourism, culture significance of traditional garments.

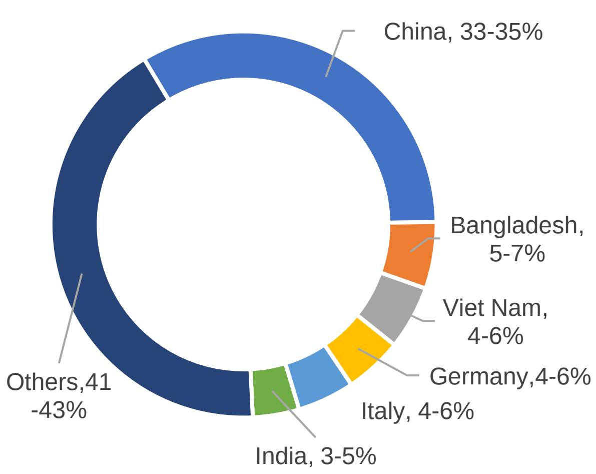
As of CY2023, China is the largest producer market of textiles in the world with a share of 33-35% based on export value of textiles. China is the largest producer of cotton globally with a production of 5.9 million tonnes in CS24 (CS refers to cotton season August-July). China is also the largest producer of man-made fibers globally. Additionally, China possesses a vast and highly developed manufacturing infrastructure, including textile mills, garment factories and skilled labour force. Bangladesh, Vietnam and Italy come in next in terms of production markets. Bangladesh and Vietnam have favourable trade agreements with developed western countries, while Italy specializes in luxury textiles along with being renowned globally for fashion which makes them one of the key textile producer markets. Germany and India are other key producer markets for textiles globally. While Germany specialises in the production of technical textiles, India is a key garment and yarn producer.

Data indicates that while majority of the consumption markets are based in Western countries, key producer markets are based in the APAC region.

Key import markets share (CY2023)



Key production markets share (CY2023)



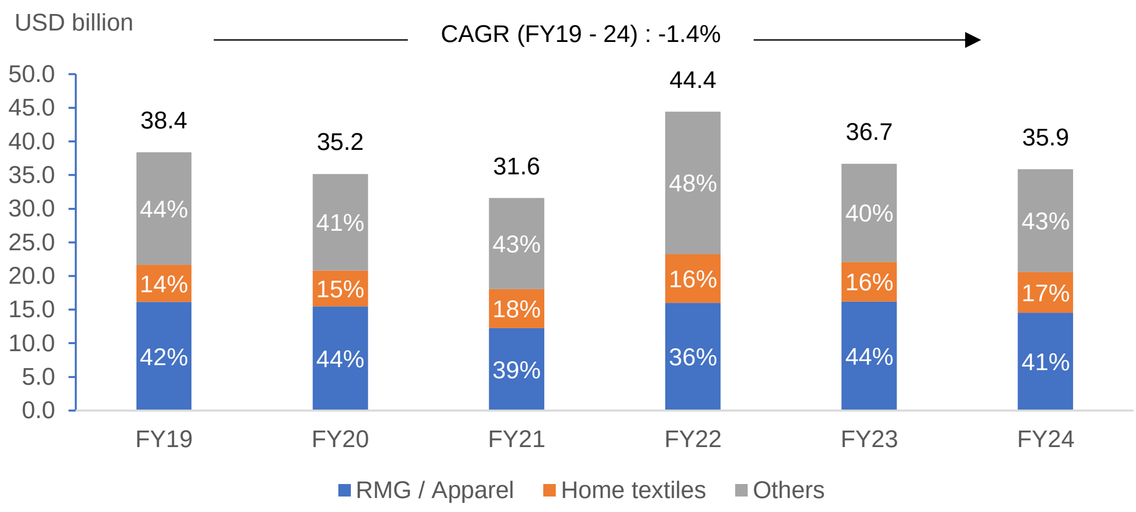
Source: ITU, CRISIL MI&A

1.27 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. In fiscal 2024, the decline continued on account of geopolitical tensions, with an export value of USD 35.9 billion during the fiscal year.

Similar to the global trend, apparel exports contributed the major portion of the Indian textile trade in fiscal 2024. Apparel sales accounted for 41% of the total Indian textile trade in fiscal 2024, while home textiles accounted for 17%. Others included the rest of the pie which included technical textiles, yarn, fibres, fabrics etc.

Textile and apparel exports from India (FY19-24)



Note: Others include technical textiles, yarns, fabrics, fibres etc. HS codes for readymade garments include 61, 62. HS codes for home textiles include 6301, 6302, 6303, 6304, 630710, 6308, 6310, 5701, 5702, 5703, 5704, 5705
Source: Ministry of Textiles, CRISIL MI&A

1.28 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 fiscal 2024, US, Bangladesh, UK are the top three importers of textile products from India with the combined contribution of ~40%. 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 without an FTA.

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

Export destinations for India	FY21	FY22	FY23	FY24
USA	26%	27%	29%	28%
Bangladesh	7%	12%	7%	8%
United Kingdom (UK)	5%	5%	6%	6%
United Arab Emirates	7%	6%	6%	6%
Germany	4%	4%	4%	4%
China	5%	4%	N.A	3%
Netherland	2%	2%	3%	3%
France	2%	2%	3%	3%
Spain	2%	2%	3%	2%
Italy	2%	N.A	2%	2%

Note: The names of the countries considered is based on the top 10 export destinations for India in fiscal 2024
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

1.29 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 that these nations have in place with major importing countries. 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. However, to sustain and to regain the lost competitiveness, Indian apparel export needs 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

1.30 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.

Effectively applied tariffs in apparel trade (2024): 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	2.1%	11.8%	7.7%	11.8%	14.4%
Vietnam	0.0%	1.4%	0.0%	2.6%	14.4%

Source: ITU, CRISIL MI&A

Effectively applied tariffs in apparel trade (2024): 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%	2.4%	0.0%	3.9%	10.8%

Source: ITU, CRISIL MI&A

1.31 Significant opportunity for India to pick up share in home textile and other textile products 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 the 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 an 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

Growth drivers	Description
 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	As per IMF, Per-capita GDP of world is estimated to be ~USD 13,359 in CY2023, compared to USD 12,894 in CY2022 and is projected to improve further to ~USD 14,368 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.
	The European Union (EU) is among the key regions of exports in the global textile market. As per IMF estimates – July 2024, the GDP for EU is expected to see an upside from 0.5% in CY2023 to 0.9% in CY2024 and further 1.5% in CY2025. Economic recovery is expected to be supported by stronger household consumption and easing

Growth drivers	Description
Macro-economic recovery	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 usage	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 usage 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

Challenges	Description
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.
Global economic crisis	Frequent trade disruptions due to on-going global economic crisis have negatively impacted the global trade and commerce. These 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.

Source: CRISIL MI&A

4 Assessment of Indian textiles industry

Indian textile and apparel industry plays an important role in development of economic activity in India. As of fiscal 2023, in terms of manufacturing gross value added (GVA) at current prices, Indian textile, apparel and leather products occupy a share of 11.2% which has seen an increase from 10.9% in fiscal 2012. As per Ministry of Textile data, Indian textile and apparel including handicrafts has contributed to 8.2% of overall exports during fiscal 2024. Based on ITU export trade data, Indian textile and apparel segment occupies a share of ~4% in global textile and apparel trade as of CY2023.

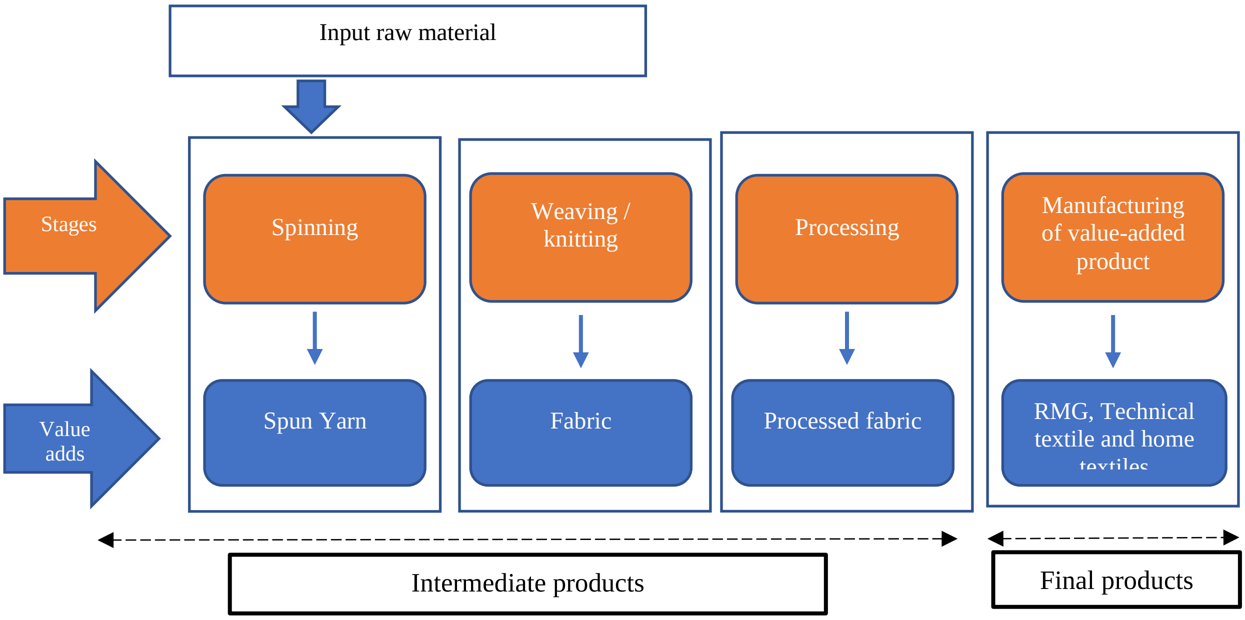
The key strength of Indian textile and apparel segment lies in large raw material base and manufacturing units present across the value chain. The industry caters to an employment of over 45 million individuals and 100 million individuals indirectly which includes employment for women and rural population. The textile and apparel segment finds alignment with the India's vision programs such as Make in India and Skill India.

1.32 India has a strong textile value chain

The textile industry in India is diversified with handwoven and hand spun textile at one end and sophisticated textile mills which are capital intensive on the other end of the spectrum. The spinning industry is organized when compared to weaving segment of the industry which is majorly dominated by the decentralized power looms, handlooms, and hosiery production units.

Presence of players across the value chain starting from production of raw material to production of yarn, fabric and garments in the country makes the Indian textile industry well placed at a global level in comparison to countries such as Vietnam and Bangladesh.

Indian textile value chain

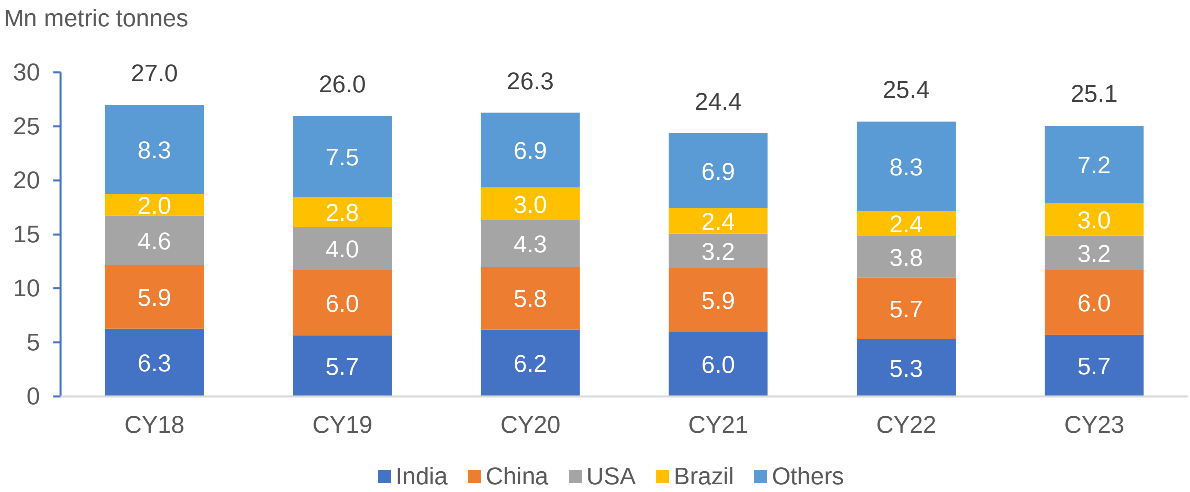


Note: In the below sections CRISIL MI&A has analysed the textile end use industry which encompasses readymade garments (RMG), technical textiles and home-made textiles. It has also analysed spinning industry for MMF yarn and cotton yarn, also assessed the cotton fabric industry
Source: CRISIL MI&A

1.33 India is the second largest producer of cotton with a share of ~23% among the global nations in CS23

India has the highest acreage for cotton compared with the other major cotton-producing nations with 13.0 million hectares in cotton season (CS; international cotton season is from August to July) 2022-23. In CS18, India was the largest producer with a production of 6.3 Million Metric Tonne (MMT) and was also the leading producer in CS20 and CS21. China surpassed India in CS22 to become the largest producer and produced 6.0 MMT in CS23 as compared to India's production of 5.7 MMT. Production of cotton remains volatile across the years and is highly vulnerable to change in climatic conditions.

Cotton production across the globe



Note: Years refer to Cotton Season (August-July)

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

In addition to this, as per Ministry of Textiles annual report, India is second largest producer of polyester and viscose both, and in turn the second largest producer of Man-Made Fiber (MMF) only next to China. India is also the second largest producer of silk in the world after China.

4.1 OVERVIEW OF INDIAN TEXTILE AND APPAREL INDUSTRY

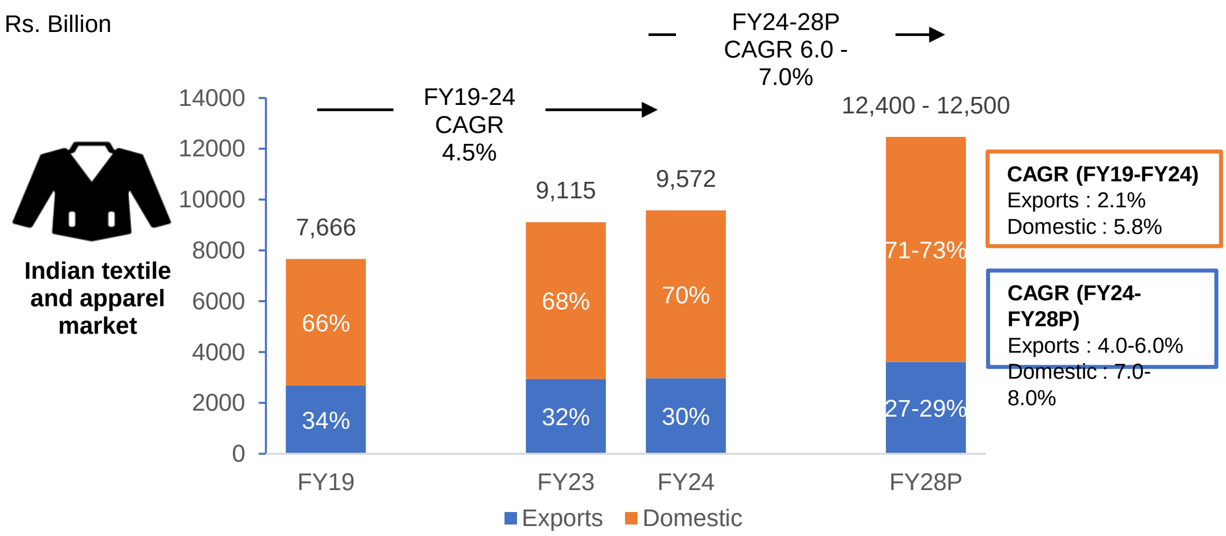
1.34 Indian textile and apparel market projected to grow at 6-7% CAGR between fiscal 2024 and 2028

As of fiscal 2024, Indian textile and apparel industry stands at Rs. 9,572 billion and is projected to grow at a CAGR of 6.0-7.0% from fiscal 2024 till fiscal 2028 and reach a value of Rs. 12,400-12,500 billion. During this period, exports are expected to grow at a CAGR of 4.0-6.0% while domestic industry is expected to grow at slightly higher pace of 7.0-8.0%.

Between fiscals 2019 to fiscal 2024, the total Indian textile and apparel industry has grown at a CAGR of 4.5%. Within the total industry, the domestic Indian textile and apparel industry has grown at a higher pace of 5.8%, while exports rose at a CAGR of 2.1%. The slower growth in exports is majorly due to decline in fiscal 2020 as a result of global slowdown which was further compounded by the Covid-19 pandemic leading to disruptions in supply chain and demand causing order cancellations. Also, high export tariffs levied on Indian exporters in countries like European Union (EU) when compared to zero import duty for other exporting countries such as Bangladesh have further dampened the export performance.

The future growth in Indian textile and apparel market will be led by various economic factors such as increase in discretionary income, rising urban population. Further, the demand is poised by increase in online retailing, shift from cotton to man-made fiber, robust growth of technical textiles segment. Additionally, global industry expanding outside of China would aid the Indian export markets in the growth trajectory.

Trend and outlook of Indian textile and apparel market



Note: Domestic Indian textile industry consists of Ready-Made garments, Unstitched Fabric, Technical textiles, and Home textiles
P stands for projected
Source: Ministry of textiles, DGCI&S, CRISIL MI&A

Indian textile and apparel market is large in size in terms of value and was roughly 3-3.5% India's GDP at current prices in fiscal 2024.

4.2 SEGMENT-WISE BREAK-UP OF INDIAN TEXTILE AND APPAREL INDUSTRY

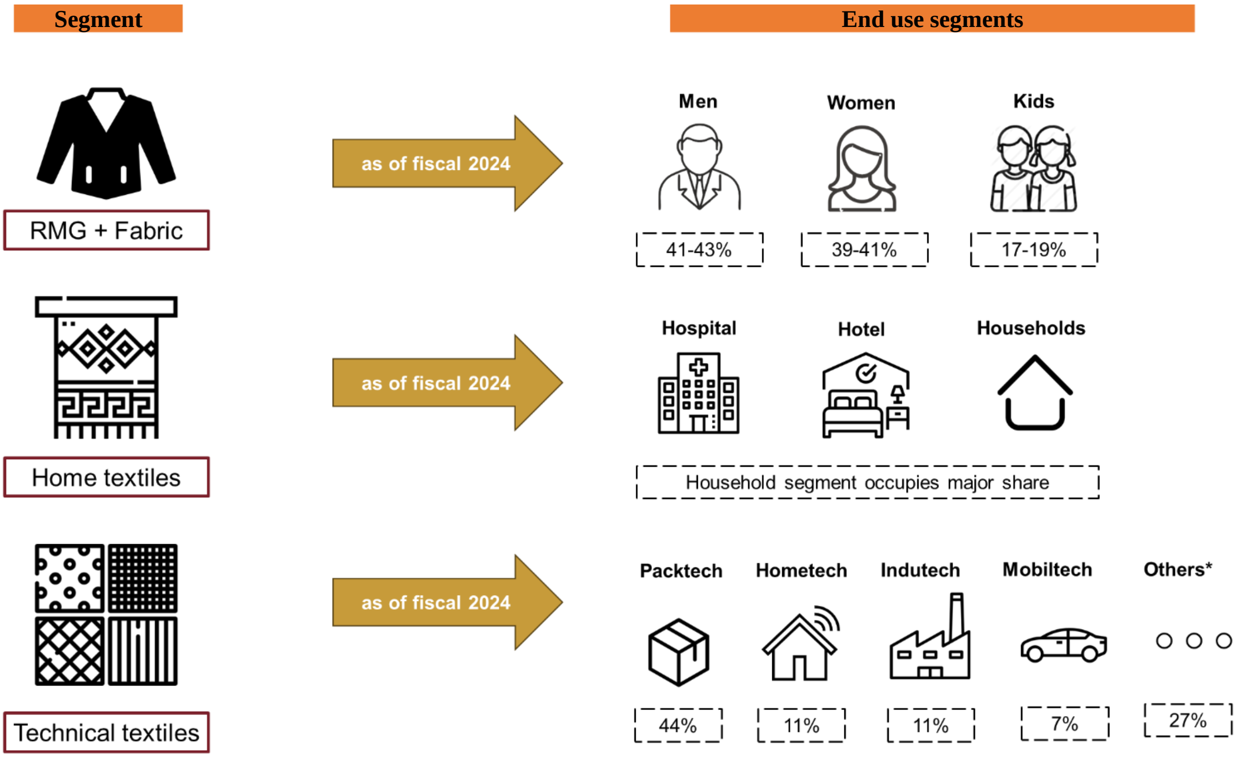
Textile and apparel industry consists of the following major segments:

Ready-made-garments (RMG) find their applications in the form of daily clothing as well as occasions such as festivals etc. These include products such as shirts, trousers, T-shirts and jeans. It also comprises ethnic wear, such as kurtas, salwar kameez, lehengas and sarees.

Home-textiles which find their applications in various industries like Hospitality where they are used to enhance the ambiance of the room, healthcare sector for maintaining hygiene of healthcare professionals and residentials buildings as a part of décor. Further, products such as towels find their usage in cleansing and hygiene purposes.

Technical textiles are defined as textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. They are used individually or as a component/part of another product. Technical textiles are used individually to satisfy specific functions such as fire-retardant fabric for uniforms of firemen and coated fabric to be used as awnings. As a component or part of another product, they are used to enhance the strength, performance or other functional properties of that product.

1.35 End-use demand for textile and apparel industry in India

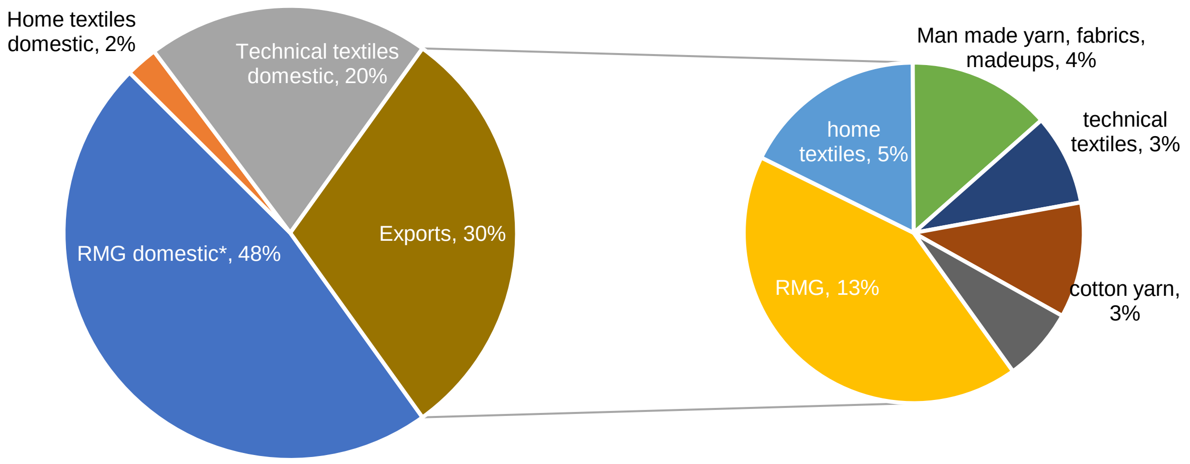


Others include Clothtech (6%), Sporttech (6%), Meditech (5%), Buildtech (4%), Protech (3%), Geotech (2%), Agrotech (2%), Oekotech (0%)
Fabric considered above with RMG only includes unstitched fabric that is sold to end consumer
Source: CRISIL MI&A

1.36 Ready-made garments (RMG) were the largest contributor

As of fiscal 2024, domestic RMG segment contributed the highest revenue to the Indian textile and apparel market with 48%, followed by exports at 30%. Domestic technical textiles contributed 20% to the Indian textile and apparel market, while domestic home textiles completed the pie with remaining 2%. Within exports, RMG again was the largest contributor with 42% share followed by home textiles at 18%. Man-made yarn, fabrics and made ups came next with a share of 14%. Cotton yarn and technical textiles had a share of 11% and 7% respectively in Indian textile and apparel exports in fiscal 2024.

Segment break-up of Indian textile and apparel industry (FY24)



Domestic values mentioned above do not include imports

* *Fabric considered above with RMG only includes unstitched fabric that is sold to end consumer. Others include raw cotton, any other textile yarn, fabrics, wastes etc.*

Source: CRISIL MI&A

5 Assessment of yarn manufacturing

Yarn manufacturing consists of sequence of various processes where raw fibers are converted to yarn which can be further used in the manufacturing of various products such as fabrics and garments. The fibers are converted into yarn through a process called spinning, followed by weaving and knitting.

A yarn can either be made from natural fibers such as cotton and wool or from man-made fibers (MMF) such as polyester, viscose, nylon, acrylic, polypropylene among others. Raw material consumption in the Indian textile industry is in the ratio of 59:41 for use of cotton to man-made fibers or filament yarn.

In this section, CRISIL MI&A covers polyester yarn and cotton yarn manufacturing industry in India along with an overview of cotton fabrics and technical textiles.

5.1 COTTON YARN INDUSTRY IN INDIA

1.37 India is among the major cotton producers in the world

Cotton is one of the most important commercial crops cultivated in India. As of CS2023 – as per ICAC estimates – India accounts for around ~23% of the total global cotton production only next to China. It plays a significant role in sustaining the livelihood of an estimated 6 million cotton farmers and 40-50 million people engaged in related activities such as cotton processing and trade. However, production of cotton remains volatile across the years and is highly vulnerable to change in climatic conditions.

	CS18	CS19	CS20	CS21	CS22	CS23	CS24
Cotton production ('000 Tonnes)	6,290	5,661	6,205	5,992	5,290	5,722	5,529

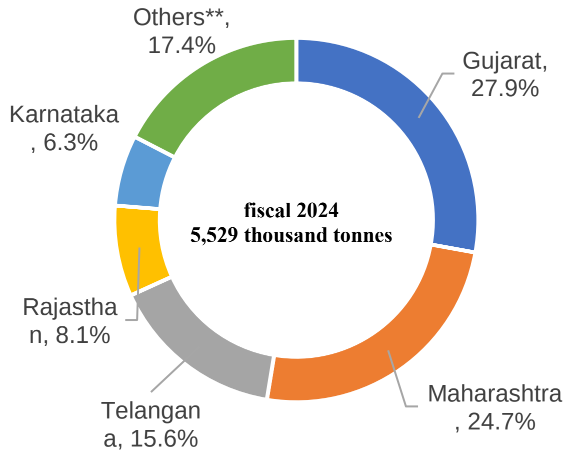
Note:
CS: Cotton Season
Source: Cotton association of India, CRISIL MI&A

1.38 Gujarat and Maharashtra are the highest cotton producing states in India

As of fiscal 2024, Gujarat contributed to 27.9% of the cotton production in India followed by Maharashtra at 24.7%.

Cotton production across various states in India **Share of top 5 cotton producing states (FY24)**

In '000 tonnes	FY19	FY20	FY21	FY22	FY23	FY24
Punjab	145	162	174	110	75	107
Haryana	391	451	310	224	170	257
Rajasthan	468	493	545	422	472	446
Gujarat	1,530	1,513	1,227	1,277	1,495	1540
Maharashtra	1,292	1,479	1,718	1,402	1,414	1368
Madhya Pradesh	391	340	227	241	244	306
Telangana	714	918	985	829	977	864
Andhra Pradesh	255	306	272	290	262	123
Karnataka	272	340	394	332	437	348
Tamil Nadu	102	102	41	51	54	47
Others*	102	102	98	111	123	123
Total	**5,661**	**6,205**	**5,992**	**5,290**	**5,722**	**5,529**



Note:
* *Others include Orissa and other cotton producing states*
** *others include Andhra Pradesh, Madhya Pradesh, Haryana, Punjab, Tamil Nadu, Orissa and Others*
Source: Cotton association of India, CRISIL MI&A

1.39 Indian cotton yarn industry is highly fragmented due to large number of small-sized mills

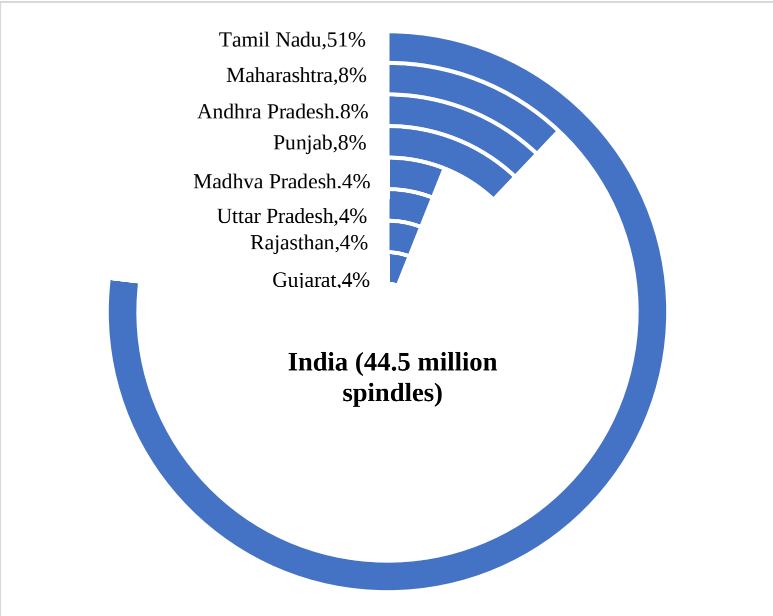
The industry is fraught with a large number of small-sized spinning mills, leading to a high level of fragmentation. A spinning mill on average has 15,000-16,000 spindles. India has approximately 67 spindles per worker. Setting up a yarn spinning mill needs huge investments (Rs 30,000-35,000 per spindle) to meet technological requirements which may limit the entry of players into the industry. Cotton being the major raw material in the manufacturing of cotton yarn, its production in India also varies as per the availability of cotton.

	FY18	FY19	FY20	FY21	FY22	FY23*	FY18-23 CAGR
Cotton yarn production ('000 Tonnes)	4,068.0	4,210.0	4,012.0	3,260.0	4,066.0	3,441.0	(3.3)%

* *Provisional estimates*
Source: Ministry of textiles, CRISIL MI&A

As on February 17, 2021, the domestic yarn industry comprised of 3,369 spinning mills, with a total installed capacity of 52.5 million spindles.

1.40 Tamil Nadu contributes to major share in Indian yarn industry



Tamil Nadu is the major contributor to the domestic yarn industry with 51% of spindles, 62% of mills, and 38% of workers. The state government has constantly supported the spinning industry through various incentives. This has led to the state having more spinning mills than other regions. Proximity to fabric clusters such as Erode and Salem has also helped the spinning industry in the state to prosper.

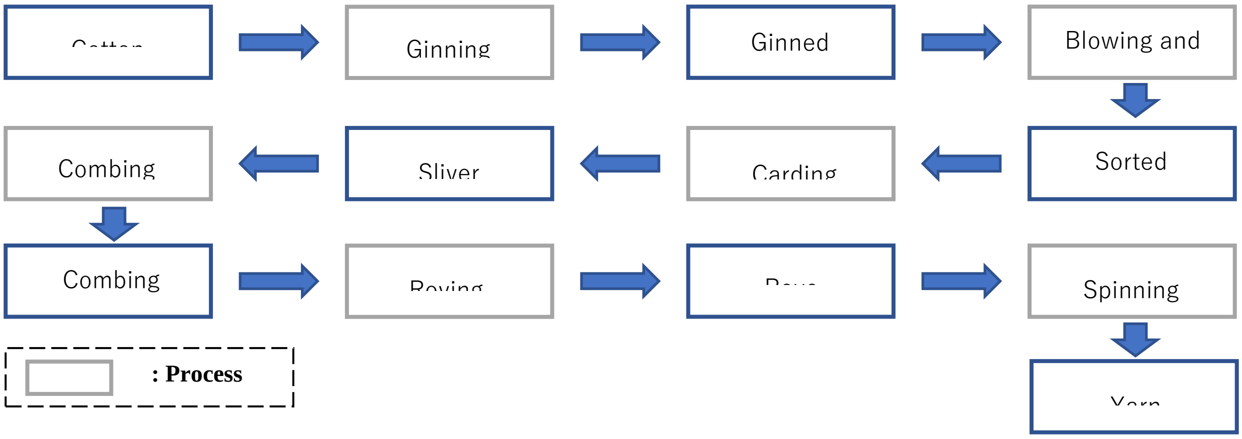
Note: Data is as of 17th February 2021
Composite spindles are not considered. Including composite, total spindle capacity is 52.5 million as on mentioned date
Source: Textile Commissioner's Office, CRISIL MI&A

1.41 Conversion of cotton to cotton-yarn involves multiple steps

The Indian spinning industry has been operating for several decades. Hence, mills are at different stages of modernisation. Technology is crucial to the operation of spinning mills. The more technologically advanced a mill is, higher is the productivity. These factors, in turn, determine the profitability of a spinning company. Spinning mills produce yarn, which is the primary component of any woven or knitted fabric.

Cotton goes through several processes before being converted into yarn. Total material loss in this process ranges from 18-22%. Raw cotton is converted to lap, which is then turned into roving and finally into yarn. The quality of yarn depends upon the staple length of the fiber.

Manufacturing process at a glance



Source: CRISIL MI&A

1.42 Process

Process	Overview
Ginning	Raw cotton from farms, with seeds and impurities, is taken to nearby gins where drying reduces moisture. Post this ginning follows, separating seeds and removing impurities. Then cotton passes through gin stands with saws, pulling lint while preventing seeds. Air blasts or brushes remove lint which is then compressed into 170 kg bales. This process enables further processing and enhances fiber quality.
Blowing and blending	Ginned cotton proceeds to the blow room for processing. The blow room's main goal is to deliver small, clean and uniformly mixed cotton to the carding machine, while preserving quality and minimising fiber breakage. Various cotton bales are opened and cleaned in the blender, ensuring consistency in grade by blending and removing impurities like sand and dust. Material loss during this stage may be 5% or more. The resulting blended cotton is then fed directly into the carding machine through tubes.
Carding	Cleaned cotton received from the blow room is then converted into a parallel sliver (which resembles a rope) through the process of carding. The carding machine is set with hundreds of fine wires, which separate the fibers and pull them into a relatively parallel form (total loss of material at the end of this process is 8-9%). A thin web of fiber is formed, which passes through a funnel-shaped device, producing a rope-like strand of parallel fibers. The sliver is then delivered into a tall can.
Combing	The combing process (although optional, depending on the end-use of the yarn) removes short fibers, improving the average yarn length, and removing any remaining impurities. Fibers are combed when a smoother, finer yarn is required. Combing provides more extensive cleaning than carding and produces the most uniform cotton yarn. A lap forming machine is used to combine a number of slivers into a wide ribbon of fiber, which is then presented to the comber. The total loss of material up to this stage can be as much as 10-12%, depending on the grade of cotton fed and the count of yarn required.
Roving	The sliver is then taken in a speed frame, wherein the fiber is further extended by converting it into a thin strand-like rove, thereby increasing the length of the sliver by 10-12 times. The roving process reduces the weight of sliver to a suitable size for spinning into yarn and inserts twist, which maintains the integrity of the draft strands. Cans of slivers, which have been combed are placed in the creel and individual slivers are fed through two sets of rollers, the second of which rotates faster, thus reducing the size of the sliver from about 2.5 cm in diameter to about 5 mm. This rove is wrapped around bobbins and taken to the next stage to be spun into yarn.
Spinning	Spinning can be done in three methods - ring spinning, rotor spinning and compact spinning. In the ring spinning process, fibers from a roving bobbin are drafted to desired thickness through a drafting zone, followed by twist insertion through spindle and traveller action. The resulting yarn is wound onto a ring bobbin.

Process	Overview
	Roto spinning, a newer method, achieves twist without package rotation, allowing higher speeds with lower power consumption. In this process, fibers are continuously supplied, deposited in rotor groove and the resulting yarn is wound into a package. Compact spinning, a recent advancement in ring spinning, reduces yarn hairiness, enhancing the fibers feel, strength and yarn elongation.
Post spinning	Unprocessed grey cotton yarn can be further mercerised, bleached and dyed to add value. In mercerisation, the cotton yarn or fabric is put through a series of processes to increase lustre. The yarn is generally stretched and washed with chemicals to give it strength, lustre, and dye-absorbing properties. The yarn is further bleached to remove the natural colouring matter and stains. Dyeing is an important function, as it imparts the required colour to the yarn. Various textile auxiliaries such as dye fixing agents, anti-foaming agents, and levelling agents are used for better results
Output	An important feature of cotton yarn spinning is the relationship between capacity, capacity utilisation, efficiency, and output. The capacity of a yarn-manufacturing unit is measured in terms of spindles (of ring spinning). Each spindle generates a particular length of yarn strand per hour, and a few of these strands are twisted together to form a yarn. The twist determines the yarn texture, and the number of strands determines the count. The output from a yarn-spinning unit is generally measured in terms of weight. The weight of a yarn produced by a spindle depends on the speed of the spindle, the count produced and the twist.

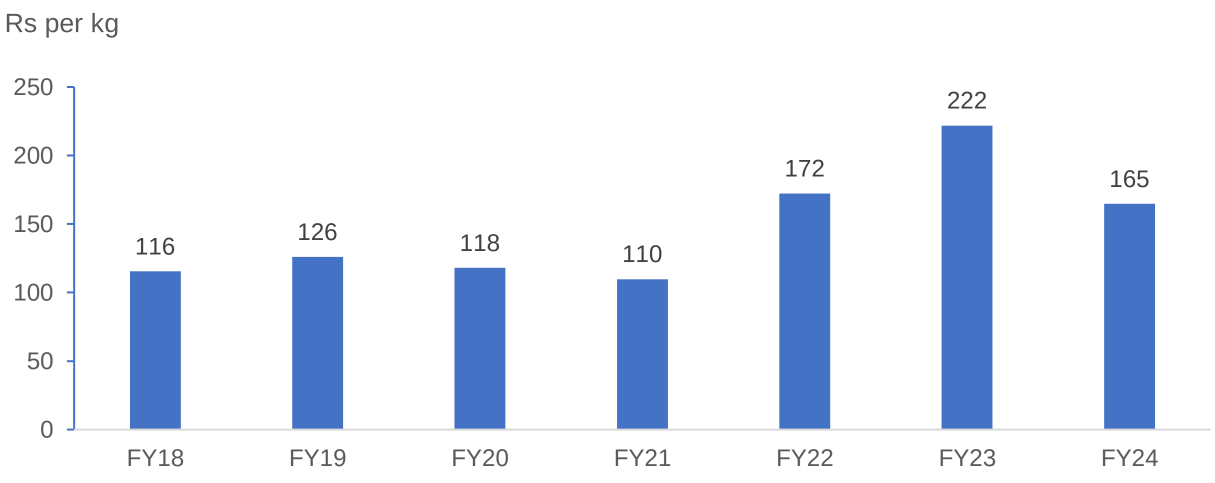
Source: CRISIL MI&A

1.43 Cotton prices moderate in fiscal 2024

Raw material cost, i.e. cost of raw cotton, is the largest cost component forming a share of ~60% for a spinning mill. As cotton is a seasonal commodity, procuring raw cotton at the right time and at the right price is crucial as it directly impacts the operating margin of a spinning mill.

Domestic cotton prices rose by 56.9% on a Y-o-Y basis in fiscal 2022. The revival in demand after the Covid-19-led fall in the previous year, unequal growth from different countries as well as logistics hurdles pushed up commodity prices, and cotton was no exception to this. While high demand ensured that yarn manufacturers could pass on the hike in raw material costs to an extent, the changed geopolitical situation and high inflation in developed economies called for anti-inflationary monetary actions and this watered down the growth prospects of discretionary items including readymade garments. However, amidst this, a lower cotton crop compared to expectations in India, and import duty on cotton fiber ensured that cotton prices remained elevated. As a result, domestic cotton prices recorded a sharper Y-o-Y growth of 28.7% reaching a cost of Rs.222 per kg in fiscal 2023. In fiscal 2024, cotton prices experienced a dip of ~26% reaching a price of Rs.165 per kg. This is majorly amidst the fall in international prices coupled with moderation of demand from end-use segments.

Cotton prices trend over the years

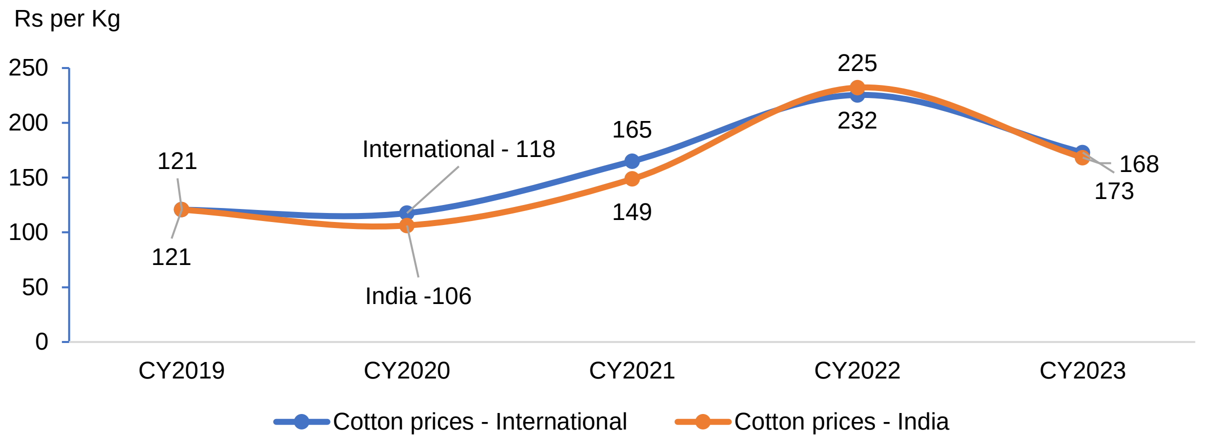


Source: Cotton Association of India, CRISIL MI&A

1.44 India has a pricing advantage when compared to global average cotton prices

In terms of cotton prices, India stands at an advantageous position when compared to the global average prices. Over the past years, from CY2019 to CY2023, (except for CY2022) Indian cotton prices are lower than global average. In CY2023, international average cotton prices stand at Rs. 173 per kg whereas Indian cotton prices stand at Rs. 168 per kg.

Comparison of cotton prices (International vs Domestic)



Note:
S-6 grade cotton prices are considered for Indian cotton prices
Source: Federal Reserve of Economic Data (FRED), CRISIL MI&A

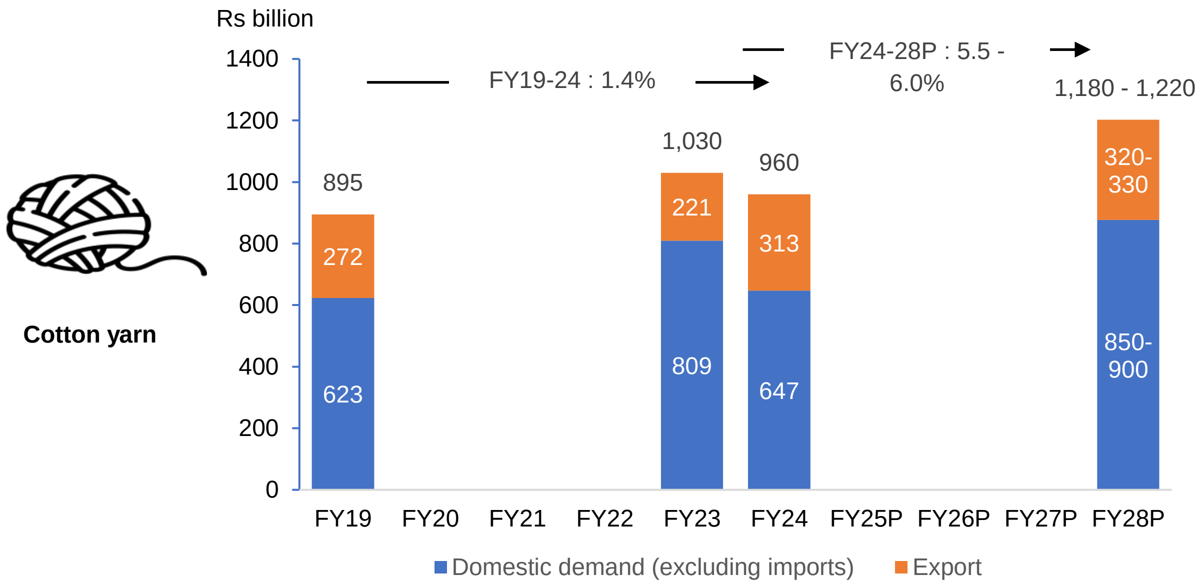
1.45 Going ahead, cotton yarn industry (production) to be driven by growth in major end use segments such as RMG, fabric and home textiles

Between fiscals 2019 and 2023, overall cotton yarn industry in India registered a CAGR growth of 3.6% in value terms. Even though volumes declined during this period, price increase supported the growth of the industry. In fiscal 2024, with decline in cotton yarn prices by ~21% compared to previous fiscal, against the backdrop of weakening global demand, the industry decline of ~7% during the aforementioned year.

As a result, between fiscal 2019 and 2024, overall cotton yarn production – in value terms – has grown at 1.4%. The growth is supported by exports growing at 2.9% in addition to domestic demand (excluding exports) growth of 0.8% during the same period.

Going ahead, the overall cotton yarn production – in value terms – is expected to grow at a CAGR of 5.5 – 6.0% from fiscals 2024 to 2028, with the domestic demand likely to be driven by steady growth in RMG segment.

Cotton yarn production overview (in value terms)



Source: CRISIL MI&A

Increased volume and reduced prices set to drive the growth in cotton yarn exports in fiscal 2024

For the Indian textile sector, fiscal 2022 was a year of recovery due to the release of pent-up demand. Along with this, US' ban on cotton and derived products originating from China's Xinjiang region was imposed in January 2021, and this created more export opportunities for the Indian yarn industry. Post this, the demand for Indian cotton and cotton yarn increased in key garment manufacturing countries such as China, Bangladesh, and Vietnam.

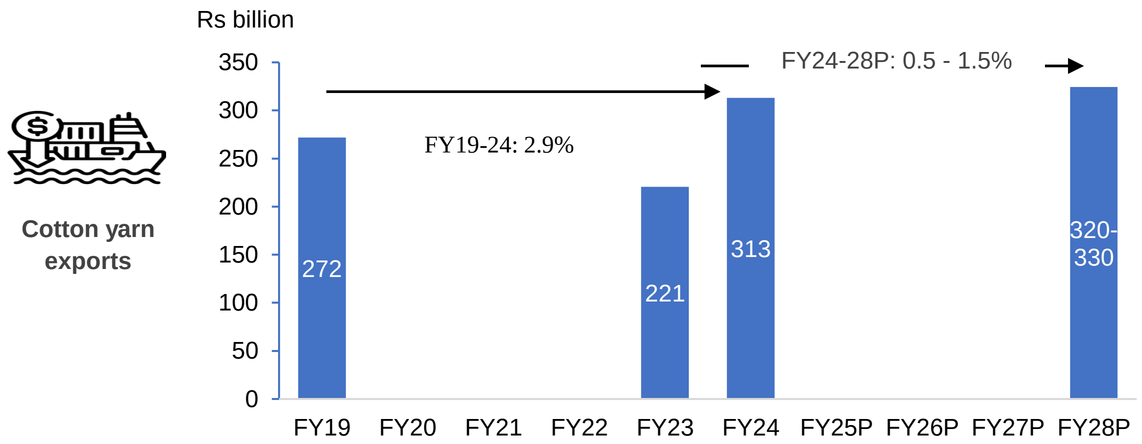
The ban on Xinjiang cotton changed the export demand outlook for cotton yarn and resulted in exports to Bangladesh to grow for FY22 while exports to China were driven by the crisis in China which led to the shutdown of textile mills in China restricting supply, along with the imposed lockdowns in the country.

However, the momentum in export growth could not be sustained for long due to rising cotton prices and a reduction in cotton production in India. These factors resulted in exports contracting by 46% in value terms during fiscal 2023. Further, in fiscal 2024, cotton yarn exports registered an Y-o-Y growth of 42% in value terms, on account of low base effect coupled with cotton yarn prices declining by 21% thus improving the attractiveness for Indian yarn in global markets and aiding the exports growth.

Given the recovery in exports in fiscal 2024, the cotton yarn exports have grown at a CAGR of 2.9% between fiscals 2019 and 2024.

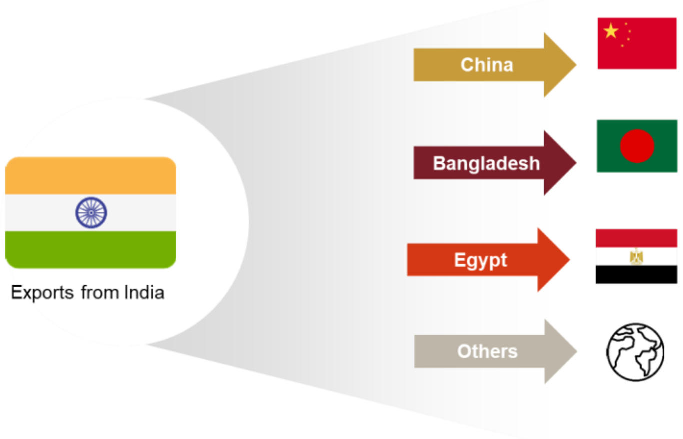
Going ahead, cotton yarn exports are expected to grow at a CAGR of 0.5 - 1.5% between fiscals 2024 and fiscal 2028 reaching Rs. 320 – 330 billion driven by demand recovery in end use countries coupled with growth in global RMG industry.

Cotton yarn export trend



Source: Ministry of Commerce, CRISIL MI&A

Bangladesh emerges as the largest importer of cotton yarn from India as of fiscal 2024



	FY18	FY22	FY23	FY24
China	25%	14%	8%	18%
Bangladesh	20%	42%	37%	36%
Egypt	5%	4%	6%	5%
Others	50%	40%	49%	40%

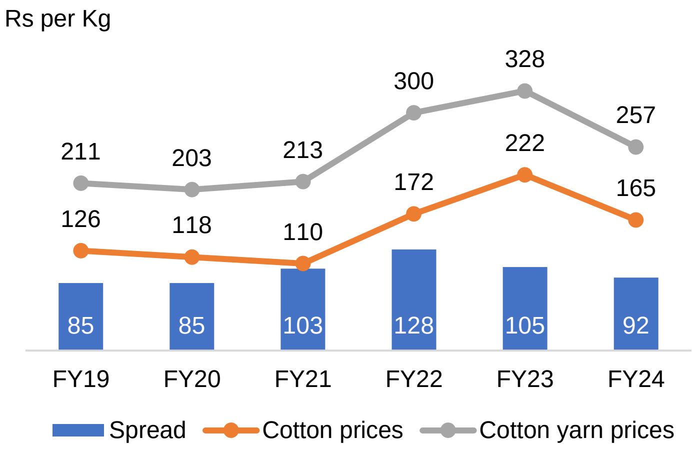
Source: Ministry of Commerce, CRISIL MI&A

Over the years, China has been the largest importer of cotton yarn from India accounting for 25% of total exports in fiscal 2018. However, the share declined to 14% and 8% in fiscal 2022 and 2023 respectively. This is majorly due to US ban on cotton products originating from Xinjiang provenance of China and thus effecting the Chinese cotton yarn demand. This in turn effected the India's export of cotton yarn to China.

Post this, Bangladesh has taken over the place of largest importer of cotton yarn from India with a share of 37% and 36% in fiscal 2023 and fiscal 2024 respectively.

1.46 Cotton yarn prices see moderation in fiscal 2024

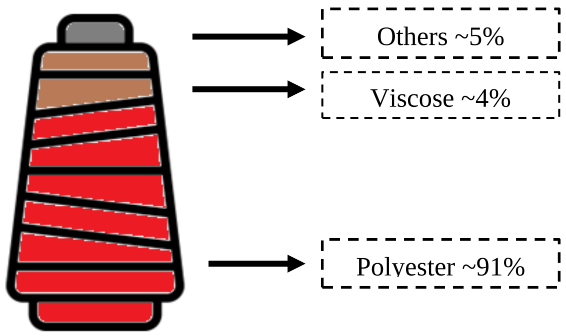
Trend in cotton yarn prices over the years



Cotton yarn prices reached all-time high levels as of fiscal 2023, driven by limited supply amid increase in downstream demand and higher domestic and international cotton prices. This has caused domestic yarn prices to reach an all-time high of Rs 328/kg in fiscal 2023. Further, in fiscal 2024, domestic yarn prices moderated to Rs 257/kg, with sluggishness in demand from end-use sectors.

Source: CRISIL MI&A

5.2 POLYESTER YARN INDUSTRY IN INDIA

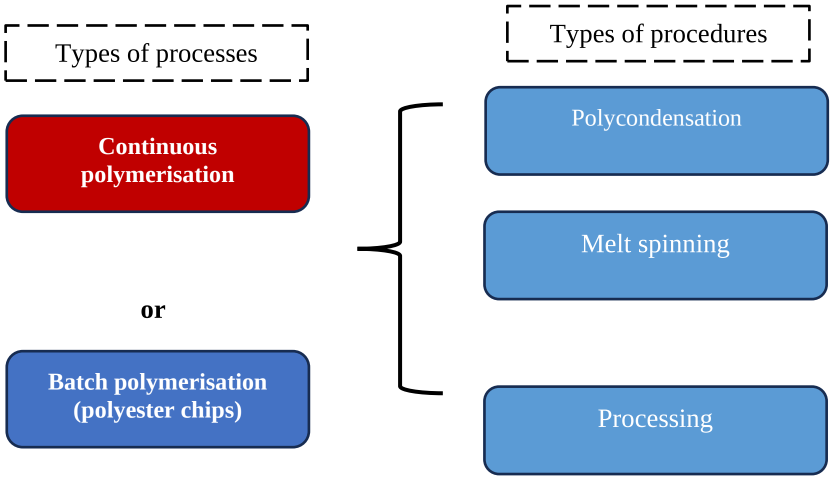


Polyester belongs to a class of polymers that primarily contain polyethylene terephthalate (PET). It is a man-made fiber which is produced using purified terephthalic acid (PTA) and mono-ethylene glycol (MEG). The two main components of the domestic MMF industry are polyester and viscose, which together account for about 95% (in volume terms). Herein, polyester accounts for about 91%, while viscose accounts for ~4%.

Others include nylon, acrylic, polypropylene among others
Source: CRISIL MI&A

In the domestic market, polyester is mainly consumed in the form of polyester filament yarn (PFY) / partially oriented yarn (POY), which accounts for 70-75% (in volume terms) of domestic polyester consumption in fiscal 2023 and rest includes polyester staple fiber (PSF), polypropylene filament yarn, and polyester industrial yarn among others. Polyester yarn is primarily used to produce blended fabrics and non-cotton fabrics, which are, in turn, used in production of readymade garments, home textiles and other industrial textiles.

1.47 Polyester mainly produced through continuous polymerisation



Both continuous polymerisation and batch polymerisation include three common procedures which include polycondensation, melt spinning and processing

Source: CRISIL MI&A

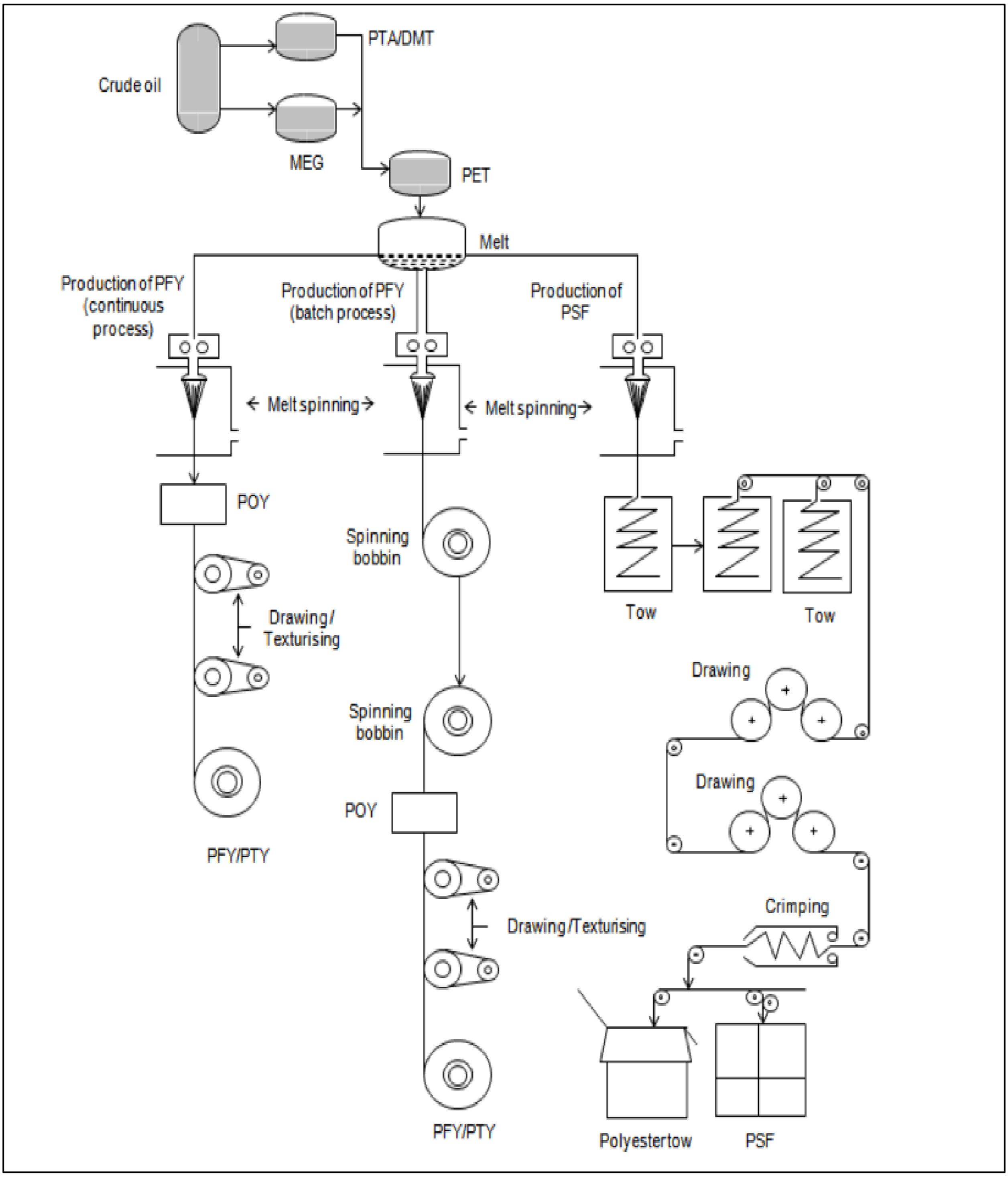
During polycondensation, the raw materials (DMT / PTA and MEG) are polymerised into polyethylene terephthalate (PET) chips. In the melt spinning stage, the melt obtained from polycondensation is converted into filament. In the third stage, the filament goes through processing activities such as drawing, crimping, heat setting, cutting, and baling.

In general, Polyester Staple Fiber (PSF) plants use any of these three combinations:

- Continuous polymerisation with direct melt spinning, where the polymer is spun without the intermediate step of chip formation
- Continuous polymerisation for manufacturing chips, and subsequent melting and extrusion of chips for spinning
- Batch polymerisation for manufacturing of chips and subsequent chip spinning

In addition, polyester can also be manufactured through recycling of plastic into PET chips . In case of recycling, the plastic is first converted to small flakes in the initial process. In the later stage, these plastic flakes undergo de-polymerisation and re-polymerisation after which they're converted to PET chips, further used in the production of polyester yarn.

1.48 Manufacturing process



Source: CRISIL MI&A

Overview of the manufacturing process

Polycondensation

Prior to polycondensation, the slurry of DMT / PTA and MEG is continuously fed into esterification reactors, in which it is trans-esterified at 260 degrees Celsius. The output is an intermediate monomer, di-glycol terephthalate (DGT). If DMT is used, methanol (a by-product) is formed at this stage. This is called **Esterification**

In **polycondensation**, DGT is fed into a polycondensation reactor. Titanium dioxide and other suitable catalysts are added under conditions of vacuum and at a temperature of 290 degrees Celsius, thereby converting DGT into PET

Finally, the polymerised product is filtered, and PET of higher molecular weight is extracted. The filtered polyester melt stream is either converted into polyester chips or sent to the next stage (melt spinning) through a melt distribution system. This process is called **Filteration**

Melt Spinning

In the melt spinning stage, the polymer feed can be chips or molten polyester. If chips are used, they're dried, re-melted, and spun. For molten polyester, it's directly spun after polycondensation. In both cases, the polyester melt, in a plastic/molten state or as a solution, is forced through a spinneret's fine holes. The spinneret, a nozzle or disc, extrudes the melt, creating filaments cooled in a quenching chamber with air as a coolant. Filaments from different spinnerets form a tow collected in cans. The undrawn tow is combined for further processing, with an option for spin finishing. Direct spinning skips chip production, saving energy and costs. However, it limits denier flexibility, suitable mainly for bulk commodity yarn, not specialty yarns.

Processing

The tow is first passed through a water trough and taken for **drawing** — a process that orients the chain molecules to the axis of the fibre. The drawn fibre is then crimped. **Crimping** adds 'waviness' (the irregularity of natural fibres) to the synthetic fibre. The degree of crimp produces different visual effects; for instance, a low crimp means a silky and lustrous fabric. High crimp is related to bulkier fabrics, with a woolly and dull appearance. In general, the degree of crimp is represented as a percentage of the straightened length. The next step is **Heat Setting,** which provides stability of form to the fibre through successive heating and cooling, either in moist or dry conditions. Finally, The set fibres are then cut and made ready for further spinning. The fibres are then packed into bales

Source: CRISIL MI&A

5.3 OVERVIEW OF POLYESTER YARN INDUSTRY IN INDIA

1.49 Economic revival in major exporting regions coupled with rise in consumption to lead long-term growth for PSF

Over the years from fiscal 2019 to 2023, the total production of Polyester Staple Fiber (PSF) – in volume terms – has grown from ~1.3 million tonnes in fiscal 2019 to ~1.4 million tonnes in fiscal 2023. This growth is majorly driven by the rise in demand for polyester yarn during the period.

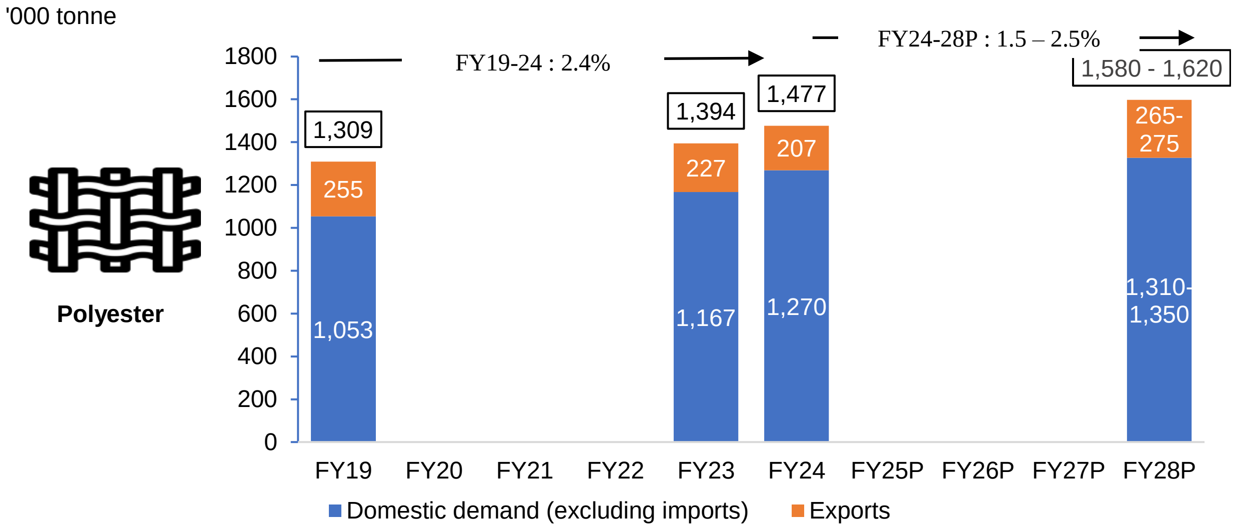
During fiscal 2023, the total production – in volume terms – of PSF saw a decline of 3.1% compared to fiscal 2022 majorly contributed by the fall in exports. For the year, though domestic demand of PSF (excluding imports) saw a Y-o-Y growth of 10.5% – the exports of PSF saw a steep decline of 40.7% on a Y-o-Y basis leading to the overall decline. The fall in exports is due to slowdown in international demand coupled with Covid-19 related disruptions in China.

Going forward, in fiscal 2024, the domestic demand (excluding imports) of PSF has seen a rise of 8.8% when compared to the previous fiscal due to low base effect. In contrast, the exports of PSF have further declined during the same period, owing to slowdown in key importing regions such as European Union and United States.

As a result, from fiscal 2019 to 2024, the total production – in volume terms – of PSF has grown at a CAGR of 2.4% majorly driven by the domestic demand (excluding imports) of PSF during the period.

Over the long-term, with the major importing regions seeing an economic revival, coupled with rise in consumption driven by growth in the blended and non-cotton segment of the industry, the overall production of PSF – in volume terms – is estimated to grow at a CAGR of 1.5 – 2.5% between fiscals 2024 and 2028.

Long-term demand outlook (production) – volume terms



The total values above the bar graph indicate overall domestic production
55012000, 55032000 and 55062000 HS codes have been considered
P: Projected
Source: CRISIL MI&A

PSF production in value terms

PSF	FY19	FY23	FY24	FY19-24 (CAGR)	FY28P	FY24E – 28P (CAGR)
Price (Rs/kg)	108	114	108	(0.1)%	110 – 115	0.5 – 1.0%
Production (Rs. Bn)	137	156	155	2.6%	170 – 180	2.5 – 3.5%

P: Projected
Source: CRISIL MI&A

1.50 Growth in non-cotton segment and economic revival in major exporting regions to lead long-term growth for PFY

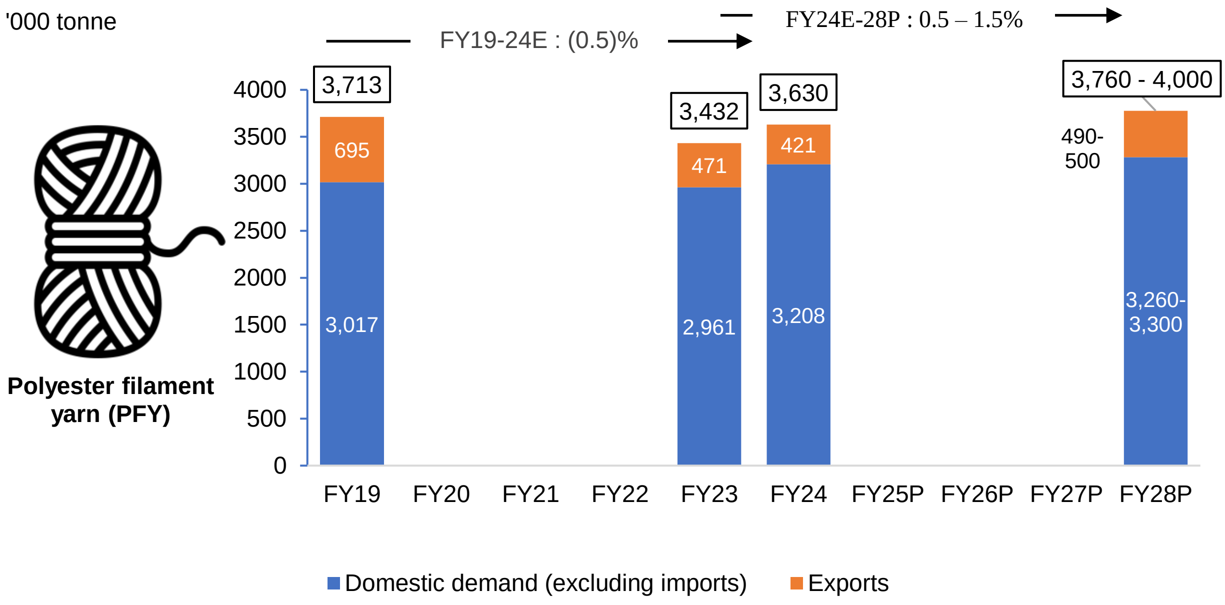
PFY production – in volume terms – has declined from 3.7 million tonnes in fiscal 2019 to 3.4 million tonnes in fiscal 2023, with exports majorly curtailing the growth. During this period, though the domestic demand (excluding imports) for PFY has seen only a slight decline of 0.5%, the overall production is trimmed by 1.9% with exports declining by 9.3% due to economic slowdown in importing regions.

In fiscal 2024, the domestic demand (excluding imports) has grown by 8.3% over the previous fiscal driven by growth in non-cotton segments. However, the overall production during the same period is expected to be constrained by decline in exports (10.5%) due to slowdown in key consumption regions.

As a result, PFY production – in volume terms – has witnessed an overall decline of 0.5% CAGR between fiscals 2019 and 2024 with majorly exports curtailing the growth.

Going forward, the overall demand is expected to grow at a CAGR of 0.5 – 1.5% between fiscals 2024 to 2028, driven by growth in non-cotton segments coupled with revival in export demand globally.

Trend in PFY production – volume terms



The total values above the bar graph indicate the overall domestic production
540233, 540246, 540247, 540252, 540262 and 540220 HS codes are considered
P: Projected
Source: CRISIL MI&A

PFY production in value terms

PFY	FY19	FY23	FY24	FY19-24 (CAGR)	FY28P	FY24E – 28P (CAGR)
Price (Rs/kg)	105	118	110	1.0%	110-115	0.5 – 1.0%
Production (Rs. Bn)	398	412	405	0.4%	430 - 440	1.5 – 2.5%

P: Projected
Source: CRISIL MI&A

6 Assessment of the global and Indian home textile industry

6.1 OVERVIEW OF HOME TEXTILE INDUSTRY

Home textile segment encompasses the textile components that are utilised for home furnishing. However, the category is not just limited to homes. Home textile products are extensively used in healthcare and hospitality industry as well. This category spans an array of both functional and decorative products designed to enhance the aesthetic appeal and comfort of living spaces. Examples include but are not limited to carpets, rugs, floor coverings, curtains, cushion covers, napkins, towels and towelling fabric, bedspreads, furnishing fabric and upholstery, table linen, bed linen, sheets and pillowcases, blankets, shower curtains and aprons.

Home textiles, like other textiles, are crafted either using natural fibers such as cotton, wool, silk etc, or from man-made fibers such polyester, nylon etc, or a combination of both.

The home textile industry is majorly driven by the demand from end use segments which include housing, hospitality and healthcare, with housing occupying the major share.

1.51 Types and classification of home textile products

Bedding: This category encompasses bed sheets, pillowcases, duvet cases, comforters and bedspreads. These textiles help in adding design and decoration to the bedroom in housing and hospitality segments. In healthcare sector, these aid as a covering over the patients' beds.

Kitchen textiles: These are products are majorly used as kitchen accessories and include products like aprons, tablecloths, napkins, floor cloths, dish cloths, dusters and similar list of items.

Bathroom textiles and towels: Bathroom linens are used for bathing purposes and include variety of towels ranging from hand towels to bath towels. This also includes bath rugs, bathmats etc. Additionally, the segment focuses on absorbency as compared to quality and appealing designs as demanded for other textiles.

Upholstery: Upholstery includes fabrics for various furniture coverings that are used as part of interior design.

Floors and floor coverings: This category major includes carpets and rugs. India is known for its handwoven carpets, which consists of various patterns and aesthetics. The segment caters to all rooms and provides specific usage such as insulation during the winter season, aesthetic appeal. Carpets and rugs witness highest wear and tear among the other home textiles.

Curtains and draperies: The segment focuses on textiles for window coverings.

Table textiles: This segment includes offerings such as runners, table mats, tea cozy among others.

Home textiles across sub-segments produces materials in various colours, textures and patterns which cater to different styles and choices of the consumer.

6.2 OVERVIEW OF GLOBAL HOME TEXTILE INDUSTRY

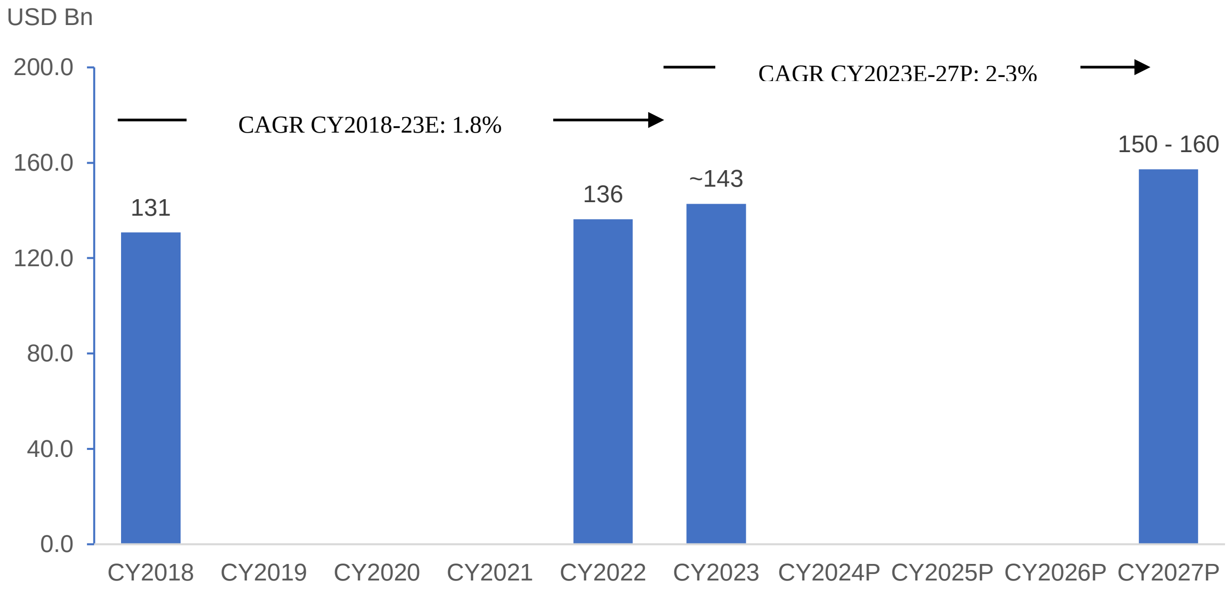
1.52 Global home textile industry is expected to grow by 2-3% CAGR between CY2023 and CY2027

Over the years from CY2018 to CY2023, the global home textile industry has grown at a CAGR of 1.8%. The growth in this segment has been majorly driven by increasing household consumption, discretionary spending and rise in per capita income in major consumption regions such as US, EU and Asia Pacific countries such as China, Japan, India and Australia.

The industry saw headwinds in CY2020 due to covid-19 pandemic with its demand from major end use industries of housing and hospitality experiencing a halt. However, with people being forced to stay indoors during the pandemic, the urge to transforms one's homes found an increase which in turn led to rise in demand. This, coupled with recovery in end-use segments aided industry's recovery in reaching the levels of ~USD 143 billion by CY2023. On an average, exports account for 40-50% of the global home textile market.

Going ahead, during CY2023 to 2027, the industry is expected to see a growth of 2-3% supported by declining raw material prices, revival in major economies, changing lifestyle trends and consumer preferences. Furthermore, factors such as rising income levels, growing demand from healthcare and hospitality industry, increasing population, rapid urbanisation, foster the industry growth.

Trend in global home textile industry

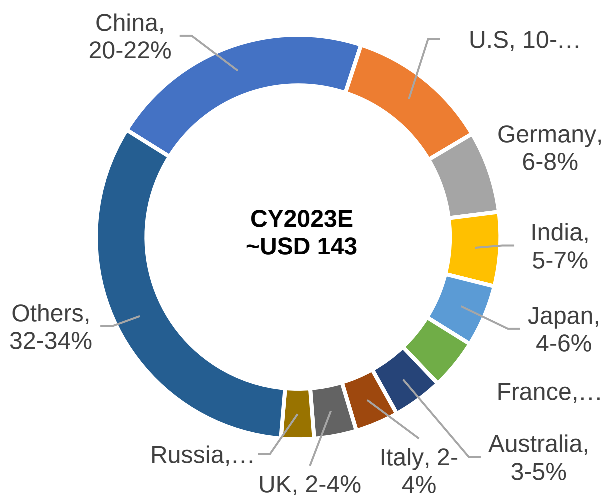


Source: Grand View Research, CRISIL MI&A

1.53 China occupies the largest share in global home textile consumption followed by US

As of CY2023, China occupies the highest share in the global home textile consumption with a share of 20-22%. This was supported by China's population, changing needs of consumers coupled with China being largest exporter of home textiles globally. Further, during the same period, US stood second with a share of 10-12% followed by Germany with a share of 6-8%. India stood fourth with a share of 5-7%.

Share of various countries in global home textile industry



Country	Value ($ billion)
China	29.2 – 31.2
U.S.	15.3 – 17.3
Germany	8.3 – 10.3
India	7.4 – 9.4
Japan	6.1 – 8.1
France	4.7 – 6.7
Australia	4.7 – 6.7
Italy	3.9 – 5.9
UK	3.8 – 5.8
Russia	2.8 – 4.8
Others	45.4 – 47.4

Note: For the above table the average of ranges mentioned add up to the total
Source: Grand View Research, CRISIL MI&A

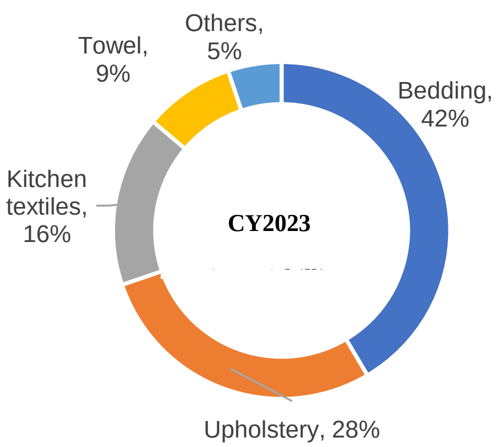
1.54 Bedding occupies the highest share in global home textile industry as of CY2023

Bedding occupies the highest share in global home textile industry. It is the most fundamental and essential category as it finds application in all major end use industries including housing, healthcare and hospitality. The segment includes bedsheets, pillowcases and duvet covers among others which are regularly replaced due to wear and tear. Additionally, individuals prioritising aesthetics in their bedrooms leading to frequent purchases of products in the segment also drives the demand.

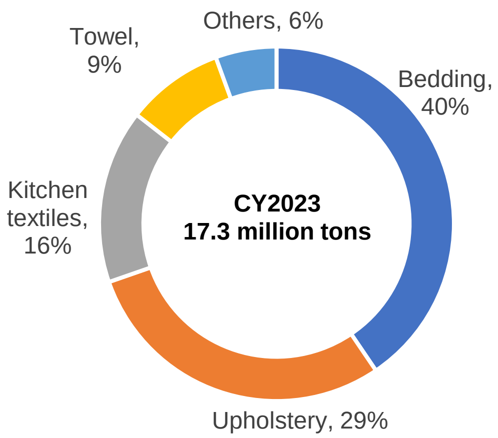
As of CY2023, of the total USD 143 billion global home textile industry, bedding segment occupied the highest share of 42% followed by upholstery at 28% and kitchen textiles at 16%. The share stays in similar order in terms of volume as well, with bedding (40%) being the first followed by upholstery (29%) and kitchen textiles (16%).

Share of various segments in global home textile industry

Value terms



Volume terms

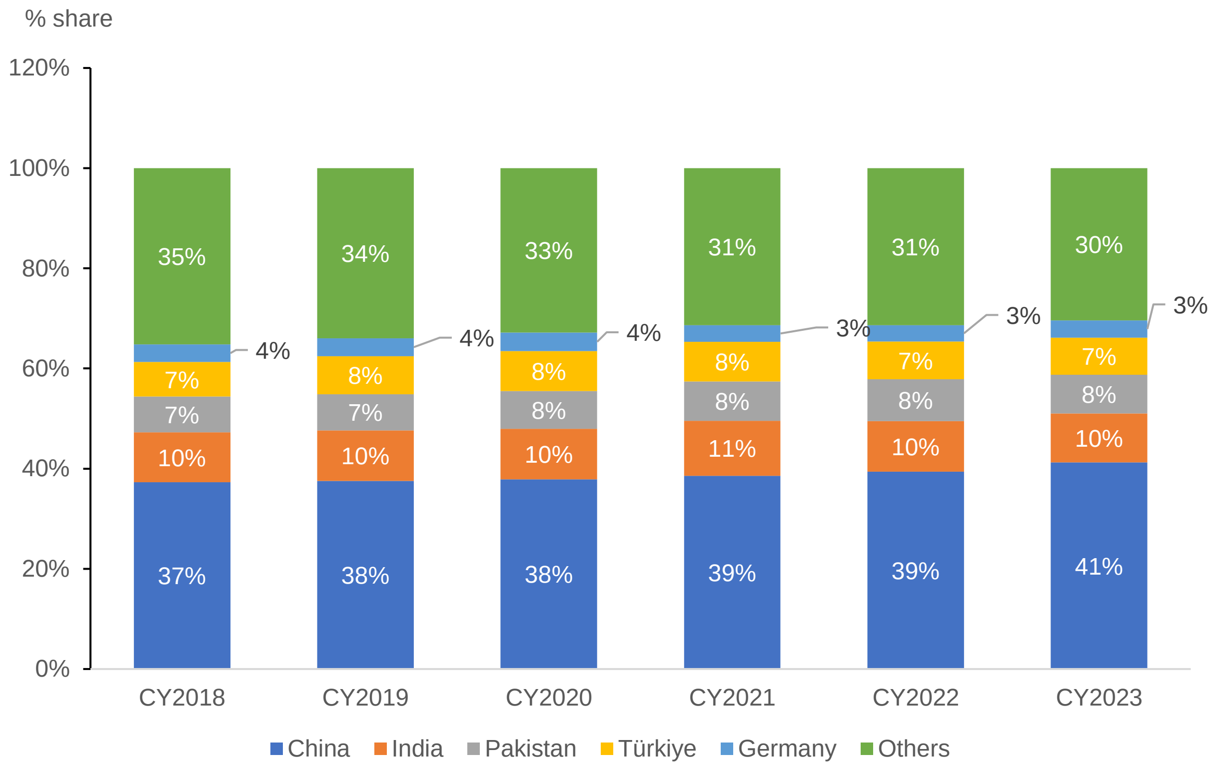


Source: Grand View Research, CRISIL MI&A

1.55 Globally China is the largest exporter of home textiles

China accounts for major share of exports in global home textile industry. Between CY2018-CY2023, China has held a share of 37-41% in global home textile exports. India comes second among the global exporters of home textiles with a 10-11% share during the same period.

Trend and share of top 5 countries in global home textile exports



Note: Following HS codes are considered: 6301, 6302, 6303, 6304, 630710, 6308, 6310, 5701, 5702, 5703, 5704, 5705
Source: ITU, CRISIL MI&A

1.56 Key growth drivers in global home textile industry

Rise in macro-economic factors such as urbanisation, population along with preference towards nuclear families to foster industry growth

As people move to urban areas, there is a surge in housing and construction activities, leading to increase in demand for home textiles such as bedding, curtains, and floorings. Additionally, urban lifestyle often prioritises home decor and aesthetics driving consumers to invest in quality home textiles. As per world urbanisation prospects 2022 of United Nations, world urban population has grown at a ~2% CAGR between CY2017 and CY2022 and it is projected to grow at a CAGR of ~1% between CY2022 and CY2050 driven by growing urbanisation in developing countries.

Further, 80% of the countries in the world have households with a size ranging from 2.3 to 5 persons per household[1] due to rise in nuclearisation or decline in persons per household over the last three decades. With increasing nuclearization, coupled with rise in population and urbanization, the demand for home textiles is expected to grow.

[1] *Source: A global perspective on household size and composition, 1970–2020. Esteve, A., Pohl, M., Becca, F. et al. A global perspective on household size and composition, 1970–2020. Genus 80, 2 (2024).*

Increasing manufacturers focus towards changing consumer landscape coupled with seasonality in the industry to aid the growth

Shifting consumer preferences, with a focus on comfort, design, and functionality, are fuelling the expansion of the global home textile industry. As individuals are increasingly prioritising home aesthetics and personalised spaces, manufacturers need to adapt to such changes would aid the industry growth. Furthermore, season specific products, such as lightweight, breathable fabrics during warmer seasons, insulating materials in colder months highlights the need for industry's responsiveness towards seasonal changes. This adaptability not only enhances consumer satisfaction but also contributes significantly to the industry's demand.

Rising disposable income to drive household consumption including home textile products

The rise in GDP per capita is instrumental in driving the global home textile industry growth. As disposable incomes increase, consumers often allocate more spending to home-related purchases, including textiles. Higher GDP per capita indicates an increasing purchasing power, allowing individuals to invest in quality and aesthetically pleasing home textiles. Over the years between CY2018 to CY2023, global GDP per capita is estimated to have grown at a CAGR of 3.1% with industry growing at CAGR of 1.8% during the same period. Going forward, global GDP per capita is estimated to see Y-o-Y growth of 3.6% and 3.8% during CY2024 and CY2025 respectively, which is expected to drive the demand and in turn propel the industry growth.

Growing focus on sleep quality and health driving demand for premium and ergonomic focused bedding segment

As consumers are increasingly prioritising products that contribute to a healthier lifestyle within their living spaces, change in health and wellness trends support growth in the global home textile industry. This is evident from rising demand for textiles designed to enhance sleep quality and reduce stress. Home textiles made from breathable, hypoallergenic materials promote better sleep, while soft and tactile fabrics create comfortable environments for relaxation. Additionally, antimicrobial coatings and moisture-wicking properties in textiles contribute to hygiene and cleanliness, addressing concerns heightened by the COVID-19 pandemic. Ergonomically designed pillows and customisable bedding offer personalised solutions to support physical well-being. The industry's need for catering to such consumer preferences which prioritise both comfort and health in the home is expected to drive the growth.

6.3 OVERVIEW OF INDIAN HOME TEXTILE INDUSTRY

1.57 Indian home textile industry has grown at a CAGR of 5.4% in value terms between fiscals 2019 and 2024

Over the years, from fiscal 2019 to fiscal 2023, exports occupied a share of ~70% of the total production. The Indian home textiles industry mainly supplies to the US and European Union. Of the total exports from India, US formed a major share of 55-60% with EU's share of 15-25% during fiscal 2019 to fiscal 2024. Further to this, as the industry is highly dependent on cotton yarn, any changes in cotton yarn prices impacts the industry in both positive and negative ways.

Between fiscals 2019 to 2023, the industry grew at a CAGR 5.3%, with exports and domestic markets (excluding imports) growing in tandem aiding the growth. The growth during this period was supported by rise in domestic discretionary spending, coupled with growth in exports supported by segments such as bed linen, blankets and carpets. Exports of bed linen and carpets exports grew in double digits between fiscals 2019 and 2023, further fuelling growth to the Indian home textile industry.

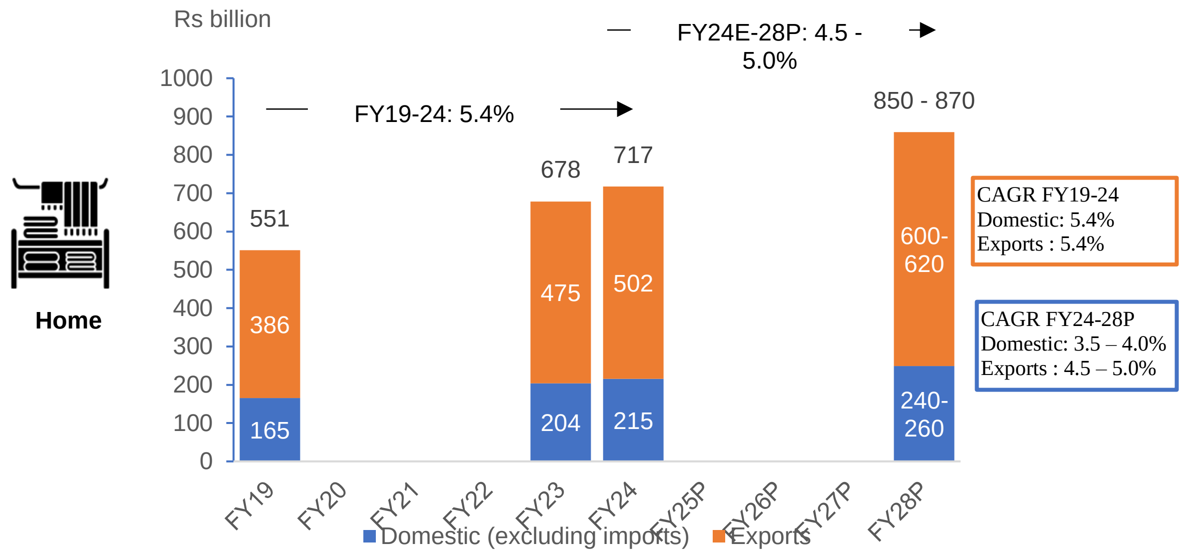
In fiscal 2024, the industry has seen a Y-o-Y growth of 5.7% resulting in a CAGR of 5.4% between fiscals 2019 and 2024. The growth in fiscal 2024 is related to correction in cotton yarn prices as the correction has made Indian home textile products competitive in export markets. Moreover, orders from big-box retailers (retail stores which occupy a larger amount of physical space as well as offer a variety of products to their customers such as Walmart, Target, Costco) - in the US are estimated to have increased this fiscal as the inventory piled up in last fiscal depletes, coupled with an increase seen in US retail sales till December 2023 on Y-o-Y basis.

1.58 Indian home textile industry estimated to grow at a CAGR of 4.5-5.0% in value terms between fiscals 2024 and 2028

Going ahead, the industry is expected to grow at a CAGR of 4.5 – 5.0% between fiscals 2024 and fiscal 2028. This growth is majorly driven by economic revival in major export regions of India such as US, growth in end use segments of healthcare, hospitality and housing in both major export as well as domestic markets, raise in domestic e-commerce penetration, cost competitiveness arising from decline in domestic cotton yarn prices and ban on cotton and cotton products from China by US.

Exports are still expected to occupy a share of 70-75% in the total Indian home textile industry between fiscals 2024 and 2028. As exports are expected to occupy a higher share going forward between fiscals 2024 and 2028 and will be a key focus area for home textile manufacturers, domestic growth is expected to be slightly lower in comparison to exports during the period.

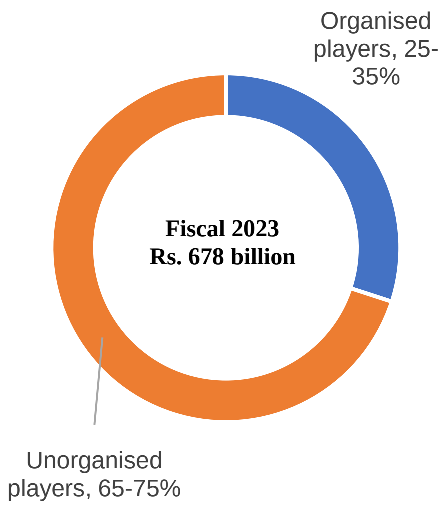
Trend in Indian Home textile industry



Note:
Values mentioned in the above graph are rounded-off to the closest whole number
Following HS codes are considered: 6301, 6302, 6303, 6304, 630710, 6308, 6310, 5701, 5702, 5703, 5704, 5705
Source: CRISIL MI&A

1.59 Indian home textile industry is dominated by the unorganised players

Share of unorganised players in Indian home textile industry

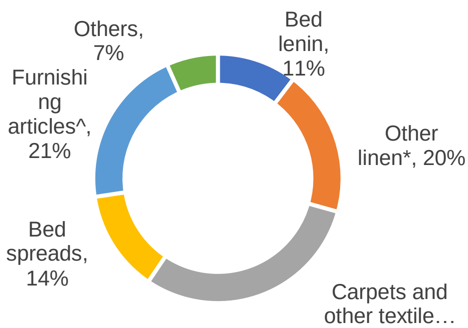


Indian home textile industry is highly fragmented with majority of the players being a part of un-organised segment. As of fiscal 2024, of the Rs 717 billion industry, 65 - 75% of the industry is estimated to be unorganised while the rest is organised.

Source: CRISIL MI&A

1.60 Linen, carpets and other textile floor coverings, and furnishing articles occupy ~61% of total home textile exports from India

Share of segments in Indian home textile exports (FY24)

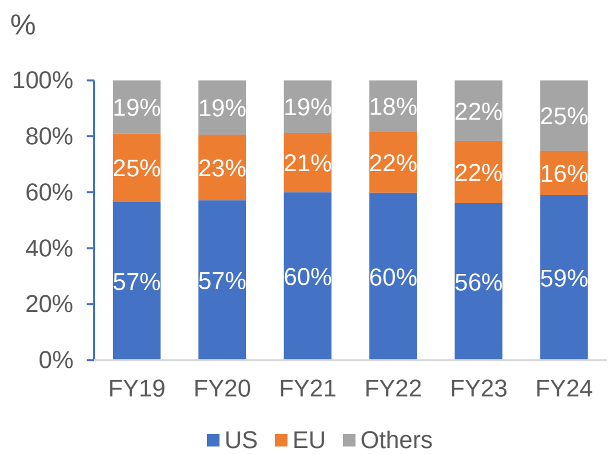


**Linen includes table linen, toilet linen and kitchen linen*
^ Furnishing articles include cushion cover, Napkins, pillow covers, tablecloth and cover, terry towels and others
Others include Blankets and travelling rugs, Curtains (including drapes) and interior blinds, cleaning cloths and others
Source: CRISIL MI&A

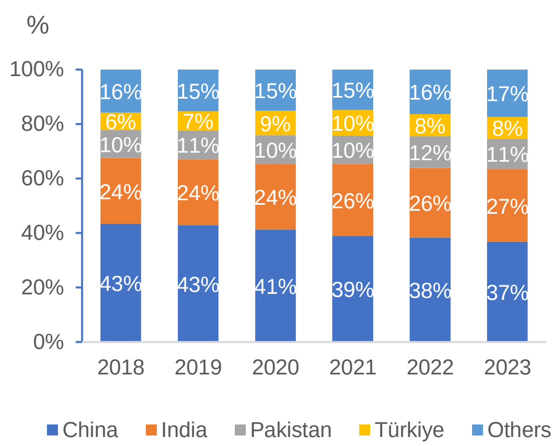
1.61 US remains the major importer of Indian home textile products driving growth in the Indian home textile industry

In fiscal 2024, US occupied a share of 59% in Indian home textile exports, while EU occupied 16% share. With US holding the major share in exports, the rise in US retail sales which have seen a CAGR of 6.0% during the same period rising from USD 5,269 billion in fiscal 2019 to USD 7,246 billion in fiscal 2024, has bolstered the export demand from India. US retail sales are showing an upward trend this fiscal as well, which is further expected to drive growth in the Indian home textiles industry.

Share of major importing nations in India's home textile exports

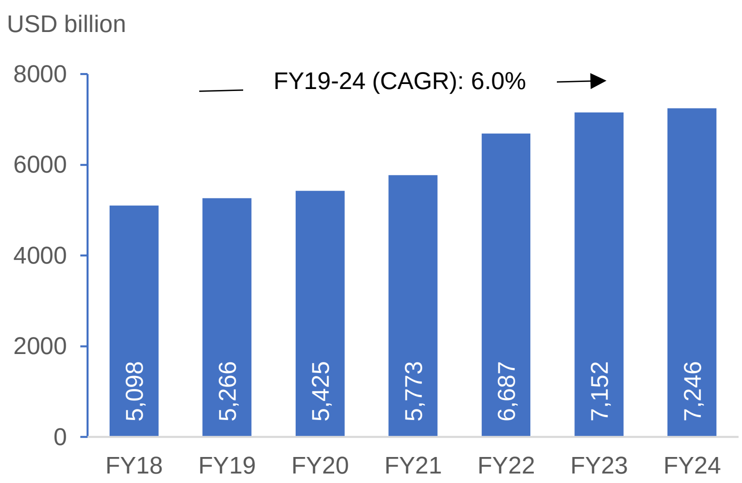


Share of major exporting nations in US home textile imports



Note: Following HS codes are considered for home textiles: 6301, 6302, 6303, 6304, 630710, 6308, 6310, 5701, 5702, 5703, 5704, 5705
Source: ITC Trademap, Ministry of Commerce, CRISIL MI&A

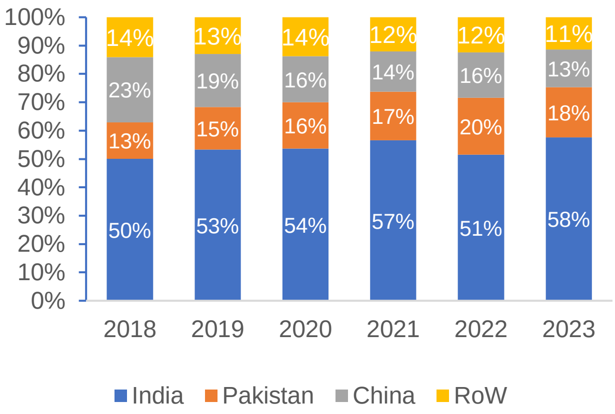
US retail sales trend



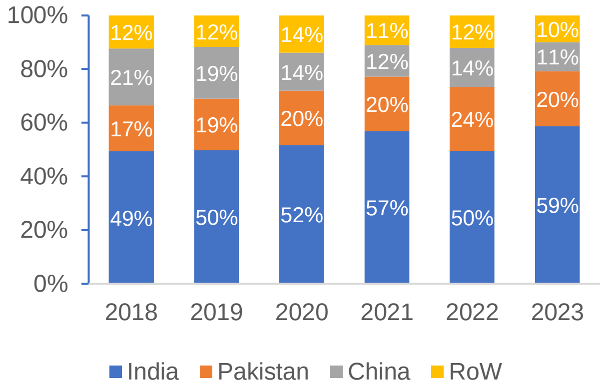
Source: US Census Bureau, CRISIL MI&A

Over the years from 2018 to 2023, India has been one of the major exporters to the U.S. in several product categories, which include cotton bedspreads and quilts, cotton pillowcases, cotton sheets and cotton terry and other pile towels. During this time period, in terms of exporting countries to U.S, India has secured the highest market share among the exporting nations for cotton pillowcases, cotton sheets and cotton terry and other pile towels. While China remains as the largest importer to U.S, in the cotton bedspreads and quilts category, its market share has been declining due to factors such as rising labour costs, geopolitical tensions, and trade issues between the U.S. and China.

U.S imports of cotton pillowcases (% share)

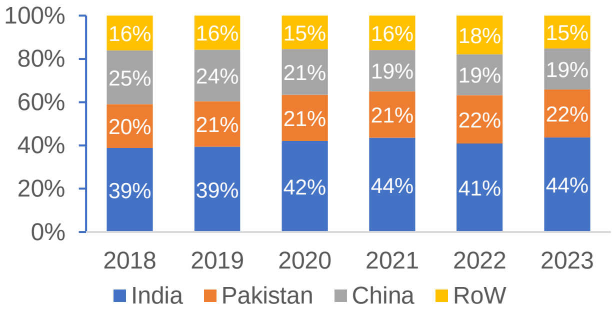


U.S imports of cotton sheets (% share)

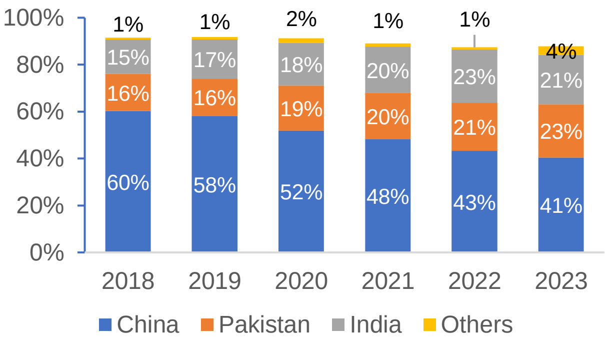


Source: OTEXA, CRISIL MI&A

U.S imports of cotton terry and other pile towels (% share)



U.S imports of cotton bedspreads and quilts (% share)



Source: OTEXA, CRISIL MI&A

1.62 Other key growth drivers in Indian home textile industry

Growth drivers	Description
 Growth in end-use segments	The demand for home textiles is majorly driven by growth in major end-use segments which include healthcare, hospitality, and housing. Indian residential real estate demand for 6 major cities - Delhi NCR, Mumbai Metropolitan Region (MMR), Pune, Ahmedabad, Hyderabad, and Bengaluru - is expected to grow at a CAGR of 8-10% over the next two years. Further, the healthcare delivery industry (Hospitals) in India is expected to grow at a CAGR of 10-12% between fiscals 2024 to 2026. Major hospital chains are planning to double their bed capacity in the next 4-5 years, which in turn is expected to drive growth in the Indian home textiles segment. Between fiscals 2024 and 2026, the Indian hospitality industry (premium hotels) is expected to grow at a CAGR of 8-10%. Pan India supply of premium hotel rooms is expected to grow at a CAGR of 0-3% during the same period. Coupled with this, rise in discretionary spending would aid in the overall industry growth over long term.
 Increasing e-commerce penetration	The increasing penetration of e-commerce platforms in India is making home textile products more accessible to consumers across the nation, including tier-2 and tier-3 cities. Online retailers usually offer a wider range of products at competitive prices, convenient experience, and delivery, driving growth in sales. Online retail penetration in overall Indian retail market was between ~4% as of fiscal 2024, which is expected to increase to 5.0 - 5.5% by fiscal 2027.
★★☆ Changing consumer preferences	Indian consumers' exposure to global trends and cultures is on the rise supported by rise in income levels. India's per capita income, a broad indicator of living standards, rose from Rs 63,462 in fiscal 2012 to Rs 106,744 in fiscal 2023, logging 4.4% CAGR. Indian consumers are becoming more design and aesthetic conscious when it comes to décor of their homes. This shift in preferences has driven demand for various types of home textiles including bedding, curtains,

Growth drivers	Description
	upholstery, rugs etc. Additionally, home textiles are considered gender neutral gifting options for the entire family which is also expected to support growth of the industry.
Increase in nuclear families	India is witnessing a surge in the number of nuclear families (families with 1-4 members). As per Periodic Labor Force Survey (PLFS) 2022-23 annual report, the average size of India households is around 4.2. Increase in such nuclear families is leading to the premiumization trend in categories such as home textiles, furniture, home décor etc. among others. This is supported by rise in social media penetration and concept of aesthetic house design for the younger generation and high and middle-income population, which in turn is driving growth in the home textiles segment.
Decline in cotton yarn prices	Decline in cotton yarn prices to aid in increasing competitiveness for Indian home textiles in export markets. Cotton yarn is one of the major raw materials required in the manufacturing of home textiles. As of fiscal 2023, cotton yarn prices reached an all-time high, driven by limited supply amid increase in downstream demand and higher domestic and international cotton prices. This has caused domestic cotton yarn prices to reach an all-time high of Rs 328/kg in fiscal 2023. Further, in fiscal 2024, domestic yarn prices moderated to Rs 257/kg, against the backdrop of weakening global demand. This would improve the attractiveness for Indian home textiles and support exports further.
Ban on chinese cotton and cotton products in US to aid Indian home textile production	China is the leading global exporter of home textiles, with a market share of 41% in CY2023. Further, it occupies the highest share of home textile exports to US (37% in CY2023). However, there has been a decrease in China's market share as an exporter, from 43% in CY2018 to 37% in CY2023. 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 importers of home textiles provides an opportunity for Indian exporters to serve as an alternate choice of exporter to the US. Further, cotton being one of the major raw materials and India being one of the largest cotton producing nations (only next to China), would in turn aid the Indian home textile production. 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.

Source: CRISIL MI&A

7 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.

1.63 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.

7.1 AN OVERVIEW OF THE APPAREL MARKET IN INDIA

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

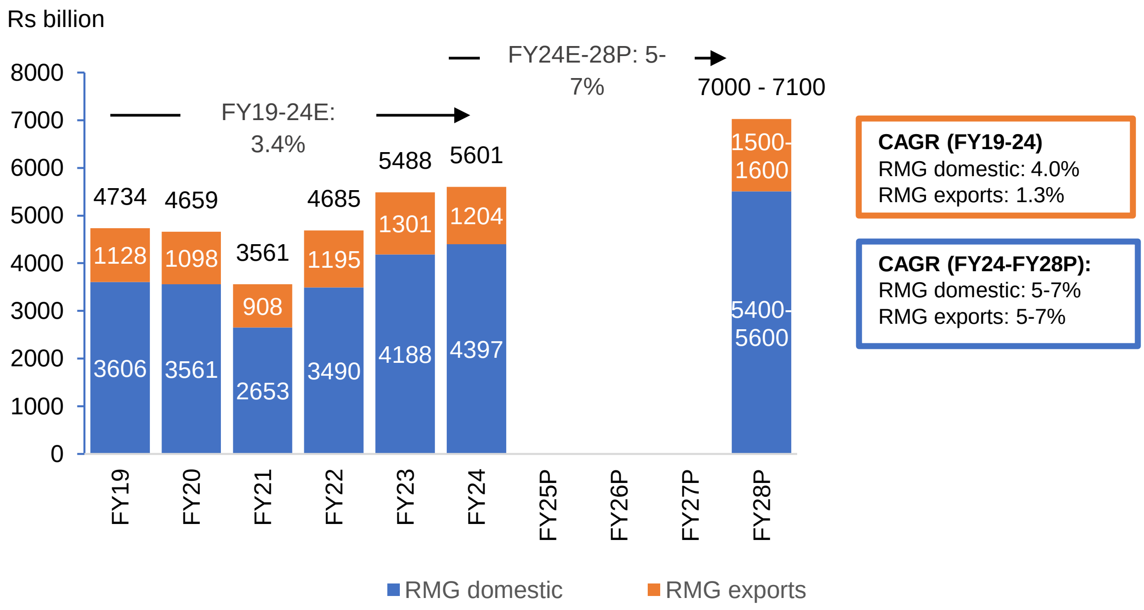
Over the years, domestic demand has contributed to 75-80% of Indian RMG production market. As of fiscal 2019, RMG production was valued at Rs. 4,734 billion. Growth remained flat in fiscal 2020 and the industry faced a slowdown in fiscal 2021 (23.6% degrowth on a y-o-y basis) as the demand was impacted 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 17.2% Y-o-Y, on account of revival in economic activity along with reopening of offices, schools and other enterprises.

In fiscal 2024, the industry has seen a growth of 2.1%. Though the domestic demand – excluding imports has seen a growth of 5.0%, the growth in overall industry (production value) is constrained due to fall in exports (7.4%) on account of demand slowdown in major importing regions such as US and EU. Between fiscals 2019 and 2024, RMG production has grown at a CAGR of 3.4%.

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

7.2 AN OVERVIEW OF THE INDIAN APPAREL EXPORT MARKET

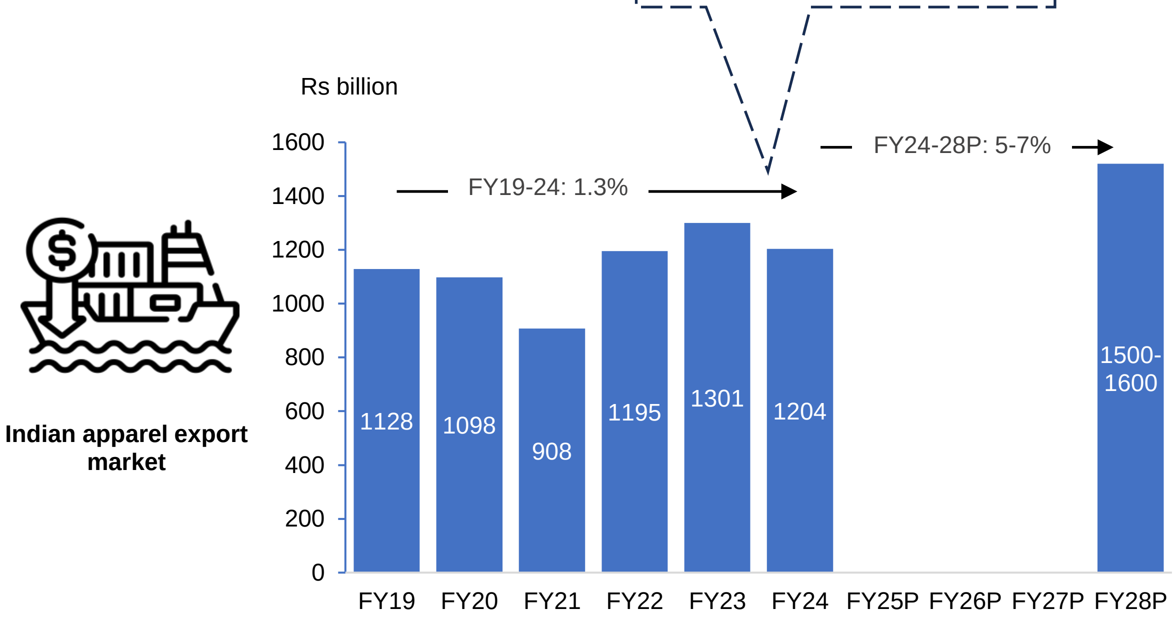
1.65 Apparel exports to see an uptick in long-term with revival in global economic activity

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 eighth in CY2023 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 2024, US (32%) and EU (28%) are the major export destinations for Indian apparel trade.

In fiscal 2024, the exports have seen a decline of 7.4% on a Y-o-Y basis due to weak demand in major global importing regions of US and EU. Apparel exports from India have grown at CAGR of 1.3% from fiscal 2019 to fiscal 2024.

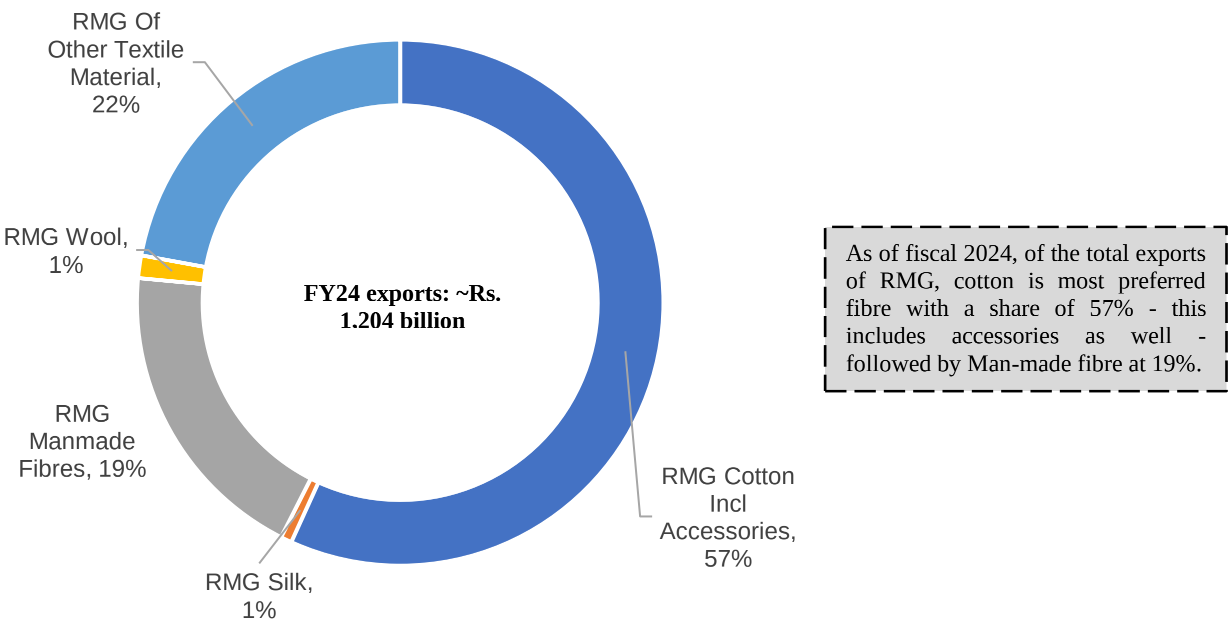
Going ahead, the apparel exports are expected to grow at a CAGR of 5-7% between fiscal 2024 and 2028, owing to the gradual demand revival in US and EU regions, favourable domestic prices aiding global competitiveness of Indian exporters coupled with low base effect.

Trend in Indian apparel exports



Note: HS codes 61 and 62 are considered
Source: CRISIL MI&A

1.66 Cotton is the most preferred fiber within apparel exports from India



Source: Ministry of Commerce, CRISIL MI&A

8SWOT analysis for Indian textile industry

S	• Cotton is the most used fibre in the manufacturing of textile. India being one of the largest producers of cotton globally, provides manufacturers better access to raw material.

(Strength)	• 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 textile industry in India is highly fragmented in nature with large number of unorganised players making the industry highly competitive. • The home textile industry faces challenges due to constantly shifting consumer preferences, which add to the complexity of manufacturers. Consumers preferences for home textiles regarding the designs evolve rapidly, making it difficult for home textile manufacturers meet the demand accurately.
O (Opportunities)	• Currently India is negotiating FTA agreements with EU and UK, which would aid the exports as EU constitutes to 16% of India home textile exports as of fiscal 2024 • Share of Chinese home textile 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.
T (Threats)	• Frequent global economic issues have negatively impacted the global trade and commerce. This has led to an increase in insurance costs, and choosing alternative trade routes has resulted in delayed delivery, capacity crunch, and increased costs • 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

9 Competitive analysis

In this section, CRISIL MI&A has analysed players operating in the Indian home textile industry. Data in this section has been obtained from publicly available sources, which include annual reports and investor presentations, regulatory filings, rating rationales, and/or company websites. Financials in this section have been re-classified by CRISIL, based on annual reports and financial filings by the respective 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 peers considered in this section is not an exhaustive but an indicative list. Only a few Indian home textile manufacturers with a comparable revenue range as Himatsingka Seide Ltd and offering similar product portfolio have been considered in this segment.

Following nomenclature has been considered in this section of the report

Alok Industries Ltd : Alok Industries

Bombay Dyeing and Manufacturing Company Limited : Bombay Dyeing

Himatsingka Seide Ltd : Himatsingka Seide

Indo Count Industries Ltd : Indo Count

Trident Ltd : Trident

Welspun Living Ltd (erstwhile Welspun India Ltd): Welspun Living

9.1 OPERATIONAL OVERVIEW

The industry includes manufacturing of bed sheets, curtains, towels, blankets, carpets, rugs, and other textile products. Of the total industry organised segment accounts for 25-35%, with the rest 65-75% being unorganised, indicating the highly fragmented nature of the industry. On the other hand, export market is relatively organised with share of large, organised players at ~50% of the overall export market. In India, production of home textiles is majorly focused on the regions of Panipat, Solapur and Karur. Panipat cluster majorly produces blankets, carpets, bed sheets, and curtains while the Solapur and Karur are more concentrated clusters, manufacturing towels and cotton-based products.

The US and the EU are key export markets for Indian home industry, accounting for more than 75% of exports. Most Indian home textile players target the export markets (mainly the US and the EU) primarily large retail giants such as Walmart, Target, JC Penny, Costco, Home Depot, Tesco.

Below in this section CRISIL MI&A has considered major Indian home textile manufacturers such as Alok Industries, Bombay Dyeing, Himatsingka Seide, Indo count, Trident and Welspun Living. CRISIL MI&A has not considered listed entities such as Jindal Worldwide Ltd, Sutlej Textiles and Industries Ltd, and Loyal Textile Mills Ltd due to their limited presence in home textile industry. Further to these, the industry also includes retail players such as HomeStop, Home Centre, Big Bazaar, V-mart, D-mart among others, who cater to the demand by having their own private labels or procuring from unorganised / local / small suppliers.

Company name	Incorporation year	Overview	Export share (FY24)^
Alok Industries	1986	Alok Industries has a presence across multiple sectors including cotton spinning, polyester yarn, apparel fabrics, home textiles, and garments. During fiscal 2024, home textiles occupy a share of 16.3% of the total revenue for the company during the period.	23%
Bombay Dyeing	1879	Bombay Dyeing is promoted by Wadia Group which commenced its operations in 1879. The company has three business segments which include real estate, polyester stable fiber division and a retail division. In the retail division, the company has presence in towels, home furnishings, leisure clothing, kids wear among others. As of fiscal 2024, polyester contributes to 83.8%, real estate contributes to 13.6% with the rest contributed by retail division in the overall revenue of the company.	28%
Himatsingka Seide	1985	Himatsingka Seide is into manufacturing of bedding, bath, drapery, upholstery and lifestyle accessory products in the home textile segment. The company derives 100% of its revenue from home textile industry. The company is focused on sustainability and purity with a proprietary cotton traceability technology	98%
Indo Count	1988	Indo count is a home textile player with focus in the bedding segment. The company's product portfolio includes bed linens, comforters, quilts, pillows, duvet covers, etc. The company derives 100% share of its revenue from home textiles segment.	96%
Raymond	1925	Raymond operates in two major segments: lifestyle and non-lifestyle. The lifestyle segment includes suiting, garments, apparel and shirting, while the non-lifestyle segment includes the denim, engineering (tools and hardware, and automotive components) and real estate businesses. Raymond through its brand Raymond homes launched in 2013, offers products such as bedsheet sets, towels, blankets, comforters, quilts and bath robes. Further to this the company also provides aprons, napkins, table linen, diwan sets and readymade curtains.	18%
Trident	1990	The company manufactures cotton yarn, terry towels, bed linen, and paper. It also into distribution of copier paper under the Trident brand in the domestic market. Its manufacturing facilities are in Barnala (Punjab) and Budhni (Madhya Pradesh). The company derives 47%$ of the total revenue from home textiles segment (bed sheets and towels) as of fiscal 2024.	62%
Welspun Living	1985	Welspun Living is a company belonging to the Welspun group, promoted by Late G.R. Goenka, B.K. Goenka and R.R. Mandawewala. The company's portfolio comprises products, such as terry towels, bed linen, bath rugs and flooring products. Other than this, the company also has a presence in flooring solutions segment. As of fiscal 2024, the company derives 91% of the revenue from home textiles segment.	NA

^ The share of exports includes exports revenue from all the segments the company has presence in
** The domestic revenue includes revenue from India and Asia Pacific*
$ The share is excluding inter-segment revenue
The share from home textile segment mentioned in the above table calculated using segmental revenue from home textiles to that of overall revenue from all the segments the company has presence in
Source: Company filings, CRISIL MI&A

1.67 Presence in key product segments

Company name	Bedding	Bathroom linen	Upholstery, curtains, and draperies	Floor and floor coverings	Others
Alok Industries	✓	✓	✗	✗	✓
Bombay Dyeing	✓	✓	✗	✗	✓
Himatsingka Seide	✓	✓	✓	✗	✓
Indo Count	✓	✗	✗	✗	✗
Raymond	✓	✓	✓	✗	✓
Trident	✓	✓	✗	✗	✓
Welspun Living	✓	✓	✗	✓	✓

Bedding category encompasses bed sheets, pillowcases, duvet cases, comforters and bedspreads
Bathroom linens include variety of towels ranging from hand towels to bath towels, bath rugs, bathmats etc
Upholstery, curtains and draperies includes fabrics for various furniture and window
Floors and floor coverings includes but not limited to carpets and rugs
Others:
For Alok Industries it includes polyester yarn, cotton yarn, apparels, technical textiles etc
For Bombay Dyeing it includes polyester staple fiber etc
For Himatsingka Seide it includes cotton yarn
For Raymond it includes aprons, table linen, fabric, apparel, real estate etc
For Trident it includes cotton yarn, paper etc
For Welspun Living it includes flooring products / solutions
Source: Company filings, Company website, CRISIL MI&A

1.68 Capacities in key product segments present as of fiscal 2024

Company name	Bedding	Bathroom linen	Upholstery, curtains, and draperies	Floor and floor coverings
Units >>	MMPA*	TPA^	MMPA*	Mn sq. meters
Alok Industries #	84	12,000	N.Ap	N.Ap
Bombay Dyeing	NA	NA	N.Ap	N.Ap
Himatsingka Seide	61	25,000	2	N.Ap
Indo Count	153	N.Ap	N.Ap	N.Ap
Raymond	NA	NA	NA	N.Ap
Trident	63	97,200	N.Ap	N.Ap
Welspun Living	108	90,000	N.Ap	12

NA	N.A

N.A: The data for the segment for the respective company is not available
N.Ap: Not Applicable, the company has no presence in that segment
** MMPA: Million meters per annum*
^ TPA: Tonnes per annum
 # The capacity for Alok Industries is as per companies' website accessed on 7th March 2024
Source: Company filings, Company website, CRISIL MI&A

1.69 Brand portfolio of players considered as of fiscal 2024

	Owned	Licensed	Total
Alok Industries	NA	NA	NA
Bombay Dyeing	NA	NA	NA
Himatsingka Seide	NA	NA	15+
Indo Count	17	3	20
Raymond	NA	NA	NA
Trident	NA	NA	NA
Welspun Living	7*	7*	14*

** The number of brands is as per fiscal 2023 annual report*
The value mentioned above for brands respective companies may include sub-brands
NA: Not Available, data for the same is not available in the company's filings
Source: Company filings, Company website, CRISIL MI&A

9.2 FINANCIAL OVERVIEW

Operating income

Operating income - Rs million	FY21	FY22	FY23	FY24	CAGR FY21-24
Alok Industries	38,476	73,095	69,373	55,096	12.7%
Bombay Dyeing	7,909	15,798	17,225	16,696	28.3%
Himatsingka Seide	22,773	32,054	26,984	28,668	8.0%
Indo Count	25,209	28,437	30,128	35,575	12.2%
Trident	45,616	70,056	63,390	68,236	14.4%
Welspun Living	73,590	93,631	81,568	96,792	9.6%

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

Segmental revenue – home textiles

Segmental revenue (home textiles) - Rs million	FY21	FY22	FY23	FY24	CAGR (FY21-24)
Alok Industries	6,849	11,290	8,488	8,717	8.4%
Bombay Dyeing*	280	217	503	450	17.2%
Himatsingka Seide	22,583	31,840	26,777	28,415	8.0%
Indo Count	25,192	28,420	30,116	35,571	12.2%
Trident^	NA	40,918	34,954	38,969	N.Ap
Welspun Living	71,254	87,809	76,381	90,630	8.3%

Note:
Value as mentioned in the annual reports of the respective companies
* *Revenue from retail / textile segment of the business is considered*
^ *Includes inter-segment revenue*
All financials are considered on consolidated basis
N.A: Not Available
N.A: Not Applicable
Source: Company websites, Company filings, CRISIL MI&A

Operating profit before depreciation, interest, and tax (OPBDIT)

OPBDIT - Rs million	FY21	FY22	FY23	FY24	CAGR FY21-24
Alok Industries	2,027	5,650	(776)	579	(34.2)%
Bombay Dyeing	(844)	(477)	(2,151)	(600)	N.M
Himatsingka Seide	3,083	5,680	3,451	6,465	28.0%
Indo Count	3,803	5,599	4,698	5,832	15.3%
Trident	8,277	15,173	9,533	9,526	4.8%
Welspun Living	13,665	13,917	8,002	13,689	0.1%

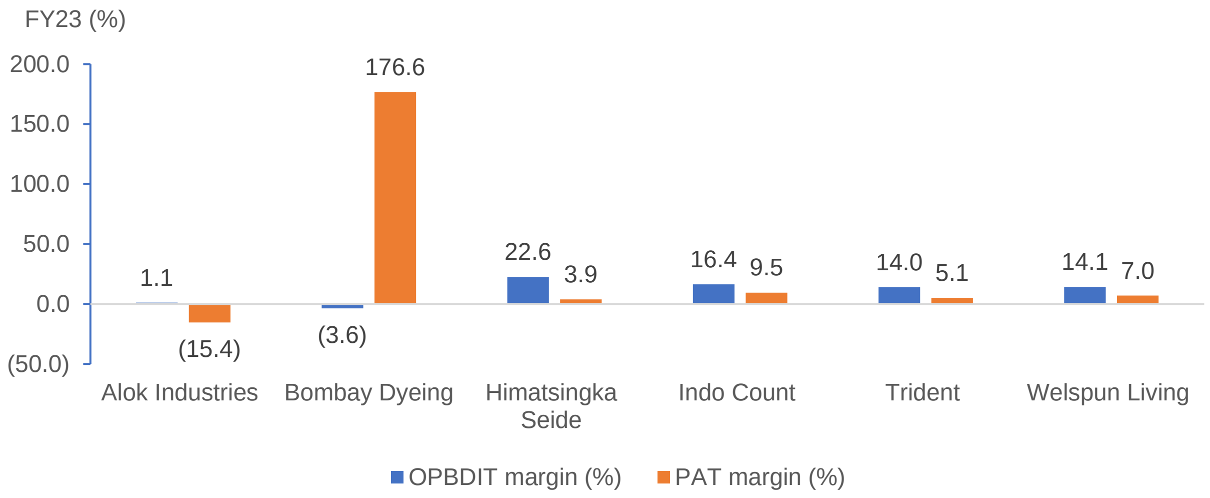
Note:
N.M: Not meaningful as either one or both the values are negative
All financials are considered on consolidated basis
Financial used in this report have been standardised and re-classified by CRISIL and may not match with the reported financials by the players
Source: Company websites, Company filings, CRISIL MI&A

Profit after tax (PAT)

PAT - Rs million	FY21	FY22	FY23	FY24	CAGR FY21-24
Alok Industries	(56,733)*	(2,086)	(8,805)	(8,468)	N.M
Bombay Dyeing	(4,691)	(4,603)	(5,167)	29,486^	N.M
Himatsingka Seide	(533)	1,408	(641)	1,128	N.M
Indo Count	2,491	3,586	2,768	3,379	10.7%
Trident	3,044	8,338	4,416	3,500	4.8%
Welspun Living	5,508	6,067	2,025	6,727	6.9%

Note:
N.M: Not meaningful as either one or both the values are negative
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
* *High loss during fiscal 2021 is due to impairment losses incurred during the period*
^ *During fiscal 2024, the company has received gains from exceptional items amounting to Rs. 39.458.7 million*
Source: Company websites, Company filings, CRISIL MI&A

OPBDIT and PAT margins (FY24)



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
The high profit margins for Bombay Dyeing are due to gains from exceptional items received by the company during fiscal 2024 amounting to Rs. 39.458.7 million
Source: Company websites, Company filings, CRISIL MI&A

Key Ratios (FY24)

Players	RoCE	RoE	Gearing Ratio	Interest Coverage ratio
Units	%	%	times	times
Alok Industries	(4.4)	N.M	N.M	0.1
Bombay Dyeing^	221.6	1,026.7	0.0	12.3
Himatsingka Seide	13.4	12.2	2.8	2.0
Indo Count	17.9	17.6	0.4	8.5
Trident	6.0	8.3	0.5	6.0
Welspun Living	9.8	16.0	0.6	9.8

Note:
N.M: Not meaningful due negative tangible networth for the company during the period
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
^ During fiscal 2024, the company has received gains from exceptional items amounting to Rs. 39.458.7 million
Source: MCA, Company websites, Company filings, CRISIL MI&A

Cash conversion cycle (FY24)

Players	Debtor days	Inventory days	Payable days	Cash conversion cycle
Units	Days	Days	Days	Days
Alok Industries	32	63	46	49
Bombay Dyeing	11	52	101	(38)
Himatsingka Seide	128	161	246	42
Indo Count	59	140	74	125
Trident	24	87	46	65
Welspun Living	47	91	65	73

Cash conversion cycle: Debtors & Bills Disc.: as days Gross & Traded Sales - Days Payables: as days consumption + Days Inventory :as cost of sales
Source: Company websites, Company filings, CRISIL MI&A

Key observations

- With a cotton spindle capacity of 211,584 spindles under one roof, Himatsingka Seide is among the top five companies in India in terms of cotton spinning capacity under one roof
- Himatsingka Seide is among the top five companies in India in terms of bedding products manufacturing capacity with a capacity of 61 million meters per annum
- Himatsingka Seide is among the top five companies in India in terms of terry towel manufacturing capacity with a capacity of 25,000 tonnes per annum

10 Annexure

Advanced economies

Country name	Country name	Country name
Andorra	Hong Kong SAR	Norway
Australia	Iceland	Portugal
Austria	Ireland	Puerto Rico
Belgium	Israel	San Marino
Canada	Italy	Singapore
Croatia	Japan	Slovak Republic
Cyprus	Korea	Slovenia
Czech Republic	Latvia	Spain
Denmark	Lithuania	Sweden
Estonia	Luxembourg	Switzerland
Finland	Macao SAR	Taiwan Province of China
France	Malta	United Kingdom
Germany	The Netherlands	United States
Greece	New Zealand	

Source: IMF, CRISIL MI&A

Emerging and Developing economies

Country name	Country name	Country name
Afghanistan	Ghana	Peru
Albania	Grenada	Philippines
Algeria	Guatemala	Poland
Angola	Guinea	Qatar
Antigua and	Guinea-Bissau	Romania
Barbuda	Guyana	Russia
Argentina	Haiti	Rwanda
Armenia	Honduras	Samoa
Aruba	Hungary	São Tomé and Príncipe
Azerbaijan	India	Saudi Arabia
The Bahamas	Indonesia	Senegal
Bahrain	Iran	Serbia
Bangladesh	Iraq	Seychelles
Barbados	Jamaica	Sierra Leone
Belarus	Jordan	Solomon Islands
Belize	Kazakhstan	Somalia
Benin	Kenya	South Africa
Bhutan	Kiribati	South Sudan
Bolivia	Kosovo	Sri Lanka
Bosnia and	Kuwait	St. Kitts and Nevis
Herzegovina	Kyrgyz Republic	St. Lucia
Botswana	Lao P.D.R.	St. Vincent and the Grenadines
Brazil	Lebanon	Sudan
Brunei Darussalam	Lesotho	Suriname
Bulgaria	Liberia	Syria
Burkina Faso	Libya	Tajikistan
Burundi	Madagascar	Tanzania
Cabo Verde	Malawi	Thailand
Cambodia	Malaysia	Timor-Leste
Cameroon	Maldives	Togo
Central African	Mali	Tonga
Republic	Marshall Islands	Trinidad and Tobago
Chad	Mauritania	Tunisia
Chile	Mauritius	Türkiye
China	Mexico	Turkmenistan
Colombia	Micronesia	Tuvalu
Comoros	Moldova	Uganda
Democratic Republic of the Congo	Mongolia	Ukraine
Republic of Congo	Montenegro	United Arab Emirates
Costa Rica	Morocco	Uruguay
Côte d'Ivoire	Mozambique	Uzbekistan
Djibouti	Myanmar	Vanuatu
Dominica	Namibia	Venezuela
Dominican Republic	Nauru	Vietnam
Ecuador	Nepal	West Bank and Gaza
Egypt	Nicaragua	Yemen
El Salvador	Niger	Zambia
Equatorial Guinea	Nigeria	Zimbabwe

Country name	Country name	Country name
Eritrea	North Macedonia	
Eswatini	Oman	
Ethiopia	Pakistan	
Fiji	Palau	
Gabon	Panama	
The Gambia	Papua New Guinea	
Georgia	Paraguay	

Source: IMF, CRISIL MI&A

ORGANISATIONAL STRUCTURE

Corporate History

Our Company was incorporated as 'Himatsingka Seide Limited' on January 23, 1985 in Bengaluru as a public limited company under the Companies Act, 1956. The Equity Shares of our Company were listed on the Stock Exchanges on NSE on February 8, 1995 and on the BSE on January 20, 1987.

The CIN of our Company is L17112KA1985PLC006647.

Our Registered and Corporate Office is situated at 4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, India

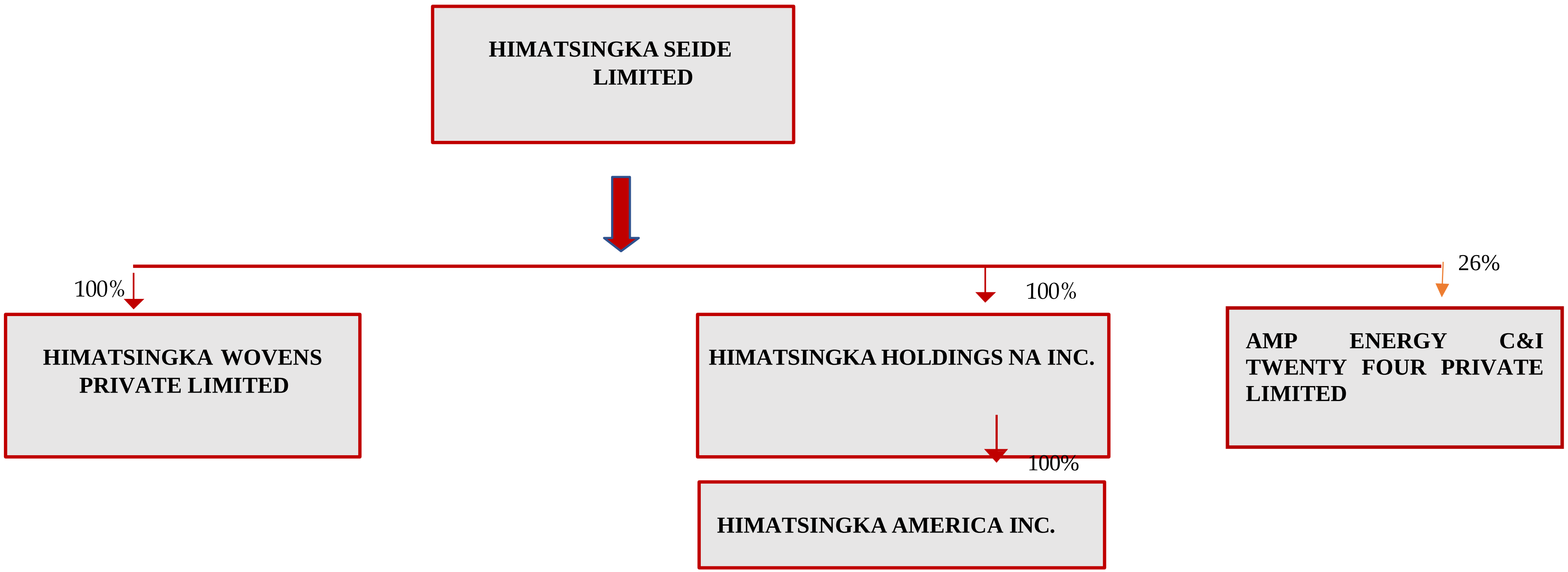
Changes in Registered Office

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

Date of change	Details of change in registered office
May 17, 1985	**Old address**: 55, Avenue Road, Bangalore 560 002, Karnataka, India **Address changed to**: No. 173, Raj Mahal Vilas Extension, 8-B Main Road, Bangalore 560 080
November 22, 1986	**Old address**: No. 173, Raj Mahal Vilas Extension, 8-B Main Road, Bangalore 560 080 **Address changed to**: 2/1, Mid Ford Gardens, Mahatma Gandhi Road, Bangalore, Bangalore 560 001, Karnataka, India
May 5, 2006	**Old address:** 2/1, Mid Ford Gardens, Mahatma Gandhi Road, Bangalore 560 001, Karnataka, India **Address changed to** 10/24, Kumarakrupa Road, High Grounds, Bengaluru 560 001, Karnataka, India.
October 3, 2024	**Old address:** 10/24, Kumarakrupa Road, High Grounds, Bengaluru 560 001, Karnataka, India. **Address changed to** 4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, India

Organisational Structure

As of the date of this Placement Document, we have three Subsidiaries and one Associate. For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" on pages 16 and 95, respectively. The organisation sructure of the Company, as on the date of this Placement Document is as follows:



BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association.

In accordance with the Articles of Association, our Company shall not have less than three Directors and not more than 11 Directors, provided that our Company may appoint more than 11 Directors after passing a special resolution of the shareholders of our Company. As on the date of this Placement Document, our Company has eight Directors on its Board, comprising three Executive Directors of which two are Promoters of our Company, four Non-Executive Independent Directors of which one is a woman Independent Director on our Board and one Non-Executive Nominee Director.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Sr. No.	Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (in years)	Designation
1.	**Dinesh Kumar Himatsingka** **Address:** 173, RMV Extension, 8th B Main Road, Bengaluru, India, 560 080 **Occupation:** Business **Nationality:** Indian **Term**: With effect from June 1, 2023, until May 31, 2028, and liable to retire by rotation. **Date of birth**: November 29, 1948 **DIN**: 00139516	75	Executive Director and Chairman
2.	**Shrikant Himatsingka** **Address**: 3/1, 5th Floor, Mulberry House, Ali Asker Road, Near Vikram Hospital, Cunningham Road, Vasanth Nagar, Bengaluru, 560 001 **Occupation**: Business **Nationality:** Indian **Term**: With effect from June 1, 2023, until May 31, 2028, and not liable to retire by rotation. **Date of birth:** November 13, 1979 **DIN**: 00122103	44	Executive Director and Managing Director
3.	**Shanmuga Sundaram Selvam** **Address**: No. 9, Trishul Mappel Luxury Homes, 4th Cross, Bhogadi, Mysore, Karnataka, India, 570 026 **Occupation**: Service **Nationality:** Indian **Term**: With effect from December 15, 2022, until December 14, 2024, liable to retire by rotation.	65	Executive Director

Sr. No.	Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (in years)	Designation
	Date of birth: January 2, 1959 **DIN**: 09816120		
4.	**Harminder Sahni** **Address**: B-1/301, World Spa West, Sector 30/41, Gurugram, Haryana, India, 122 001 **Occupation**: Business **Nationality:** Indian **Term**: With effect from November 14, 2022, until November 13, 2027 **Date of birth:** September 17, 1968 **DIN**: 0576755	56	Non-Executive – Independent Director
5.	**Sandhya Vasudevan** **Address**: No. 34/35 Vakil Garden City, Talaghattapura, Kanakapura Road, Bengaluru, 560 062 **Occupation**: Consultant **Nationality:** Indian **Term**: With effect from November 14, 2022, until November 13, 2027 **Date of birth:** November 23, 1961 **DIN**: 00372405	62	Non-Executive - Independent Director
6.	**Shyam Powar** **Address**: C Koshy Villa, 7 Ashley Road, Opp. Brunton Road, Near MG Road, Bengaluru North, Bengaluru, Karnataka, India, 560 025 **Occupation**: Business **Nationality:** Indian **Term**: With effect from May 30, 2023, until May 29, 2028 **Date of birth:** September 21, 1966 **DIN**: 01679598	58	Non-Executive -Independent Director
7.	**Ravi Kumar** **Address**: Flat no. 192, 19th floor, Jolly Maker Apartment – 2, Opp. WTC complex, Cuffe Pa Rade, Colaba, Mumbai, Maharashtra, India, 400 005 **Occupation**: Business	63	Non-Executive-Independent Director

Sr. No.	Name, Address, Occupation, Nationality, Date of Birth, Term and DIN	Age (in years)	Designation
	Nationality: Indian **Term**: With effect from January 25, 2024, until January 24, 2029 **Date of birth:** April 15, 1961 **DIN**: 02362615		
8.	**Manish Krishnarao Joshi** **Address**: 902, Wallace Apartments, 1, 36 Noshi Bharucha, Khatauwadi, Grant Road West, Mumbai, Maharashtra, 400 007 **Occupation**: Government service **Nationality:** Indian **Term**: With effect from February 1, 2024, not liable for rotation **Date of birth:** December 5, 1966 **DIN**: 06532127	57	Nominee Director*

** Nominee of Exim Bank*

Biographies of our Directors

Dinesh Kumar Himatsingka is the Executive Director and Chairman and one of the promoters of our Company. He has been a Director of the Company for the past 39 years since 1985.

Shrikant Himatsingka is the Executive Vice Chairman and Managing Director and one of the promoters of our Company. He has been a Director of the Company for the past 21 years since 2003.

Shanmuga Sundaram Selvam is an Executive Director of our Company. He is a member of the Textile Institute, Manchester, UK admitted Fellow of The Textile Institute entitled to practice and be described as Charted Member of The Textile Institute. He has over 40 years of experience in serving National and International Textile Industry in India, Malaysia, and Indonesia.

Harminder Sahni is a Non-Executive Independent Director on our Board. He is presently a director on the board of directors of Tapio Clothing Private Limited, Purple Style Labs Limited, PEP Technologies Private Limited, and Wazir Advisors Private Limited.

Sandhya Vasudevan is a Non-Executive Independent Director on our Board. She holds a master's degree of business administration from Bangalore University, Karnataka. She has been a director in Deutsche Bank and Thomson Reuters and is presently a director in UC Inclusive Credit Private Limited, Electronica Finance Limited, TTK Prestige Ltd and Ascorb Technologies Private Limited.

Shyam Powar is a Non-Executive Independent Director on our Board. He is currently associated with Rapidue Technologies Private Limited and Taal Enterprises Limited.

Ravi Kumar is a Non-Executive Independent Director on our Board. He is a certified associate of Indian Institute of Bankers (CAIIB). He was previously associated with IDBI Bank Ltd. till 2021 as executive director and with IDBI Capital Markets & Securities Limited as a senior advisor and has more than 30 years of experience and expertise in corporate banking, debt syndication, debt resolution, infrastructure financing. He is currently associated with India Glycols and Uttam Sugar Mills Limited.

Manish Krishnarao Joshi is a Nominee Director on our Board nominated by EXIM Bank.

Relationship with other Directors

Except as stated below, none of our Directors of our Company are related to each other.

Name of the Director	Name of the related Director	Relationship

Dinesh Kumar Himatsingka	Shrikant Himatsingka	Father
Shrikant Himatsingka	Dinesh Kumar Himatsingka	Son

Borrowing powers of our Board

Pursuant to the Shareholders' resolution dated January 15, 2023, our Board is authorized to borrow money upon such terms and conditions as the Board may think fit and may exceed the aggregate of the paid-up share capital and free reserves provided that the aggregate amount of its borrowings shall not exceed a sum of ₹3,50,000 lakhs (Indian Rupees Three Lakh Fifty Thousand lakhs).

Interests of the Directors

All our Directors may be deemed to be interested in our Company to the extent of their shareholding, remuneration, including compensation payable to them for attending meetings of our Board or committees thereof, commission as well as to the extent of reimbursement of expenses payable to them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc. Manish Krishnarao Joshi was appointed as a Nominee Director by EXIM Bank on the Board of Directors of the Company with effect from February 2, 2024.

Except as stated in "*Related Party Transactions*" on page 43, and as disclosed in this section, our Directors do not have any other interest in the business of our Company, there have been no related party transactions between the Company and any of the Directors during the three Fiscals immediately preceding the date of this Placement Document. Further, in the current Fiscal, none of the directors have entered into any additional type of related party transactions, other than disclosed in the related party transactions of the Company for the periods mentioned above. Further, except as provided in "*Related Party Transactions*" on page 43 our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

None of the Directors of our Company and to the extent of their remuneration and/or sitting fees, as they case may be, have any financial or other material interest in this Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Shareholding of Directors

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of June 30, 2024:

Name	Number of Equity Shares	Percent of Total Number of Outstanding Equity Shares (in %)
Dinesh Kumar Himatsingka	1,19,02,000	12.09
Shrikant Himatsingka	85,46,964	8.68
Total	2,04,48,964	20.77

Terms of appointment of Directors

1. **Remuneration to Executive Directors:**

Dinesh Kumar Himatsingka

Pursuant to the agreement dated July 25, 2023, Board resolution dated May 30, 2023, and Shareholders' resolution dated July 21, 2023, our Company has set out the terms of the remuneration and other employee benefits payable to Dinesh Kumar Himatsingka which are as follows:

(in ₹ lakhs)

Term	Particulars
Basic Salary	₹ 16.64 lakhs per month in the scale of ₹16.64 - ₹1.66 - ₹23.29 lakhs
Perquisites	(i) Housing: Provision of a furnished accommodation, owned / hired by the Company and to deduct 10% of the monthly salary. If no accommodation is provided by the Company, house rent allowance will be payable at 50% of salary. Explanation: The expenditure incurred by the Company on electricity, water and furnishing, will be valued as per the Income tax Rules, 1962. He shall further be entitled to any other benefits which employees of president and above categories are entitled as per the HR policy of the Company. The following perquisites shall be as per the rules framed by the Company from time to time: (i) Contribution to provident fund (ii) Leave travel concession for self and family. (iii) Contribution to pension fund, superannuation fund, annuity fund (iv) Club Fees: two club memberships (except life membership) (v) Personal accident insurance (vi) Medical expenses and medical insurance for self & family. (vii) Company maintained car with driver for official and personal use. (viii)Telecommunication facilities for official and personal use. (ix) Leave unavailed of, to be allowed to be accumulated/ encashed. (x) Gratuity as per the Payment of Gratuity Act 1872 or as per the Gratuity scheme of the Company, whichever is higher.
Annual Increment	For every financial year, increment up to 10% p.a. of the fixed basic pay effective from April 1, 2024 subject to total fixed remuneration upper cap of ₹ 450 lakhs p.a. during the term of the appointment and the increments shall be in consultation with the Nomination and Remuneration Committee and the Board of Directors based on the Company's remuneration philosophy and principles.
Commission	In addition to the above, such amount of commission calculated with reference to the net profits of the Company for each financial year as may be fixed by the Nomination and Remuneration Committee and the Board of Directors subject to ceiling laid down in Section 197 of the Companies Act, 2013 read with rules thereto.

Shrikant Himatsingka

Pursuant to the agreement dated July 25, 2023, Board resolution dated May 30, 2023, and Shareholders' resolution dated July 21, 2023, our Company has set out the terms of the remuneration and other employee benefits payable to Shrikant Himatsingka which are as follows:

(in ₹ lakhs)

Term	Particulars
Basic Salary	₹16.64 lakhs per month in the scale of ₹16.64 - ₹1.66 - ₹23.29 lakhs
Perquisites	(i) Housing: Provision of a furnished accommodation, owned/ hired by the Company and to deduct 10% of the monthly salary. If no accommodation is provided by the Company, house rent allowance will be payable at 50% of basic salary. The expenditure incurred by the Company on electricity, water and furnishing, will be valued as per the Income tax Rules, 1962. He shall further be entitled to any other benefits which employees of president and above categories are entitled as per the HR policy of the Company. The following perquisites shall be as per the rules framed by the Company from time to time: (ii) Contribution to provident fund (iii) Leave travel concession for self and family. (iv) Contribution to pension fund, superannuation fund, annuity fund (v) Club fees: Two club memberships (except life membership) (vi) Personal accident insurance (vii) Medical expenses and medical insurance for self & family (viii)Company maintained car with driver for official and personal use. (ix) Telecommunication facilities for official and personal use (x) Leave unavailed of, to be allowed to be accumulated/ encashed. (xi) Gratuity as per the Payment of Gratuity Act 1872 or as per the Gratuity scheme of the Company, whichever is higher.
Annual Increment	For every financial year, increment up to 10% p.a. of the fixed basic pay effective from April 1, 2024 subject to total fixed remuneration upper cap of ₹ 450 lakhs p.a. during the term of the appointment and the increments shall be in consultation with the Nomination and Remuneration Committee and the Board of Directors based on the Company's remuneration philosophy and principles.
Commission	In addition to the above, such amount of commission calculated with reference to the net profits of the Company for each financial year as may be fixed by the Nomination and Remuneration Committee and the Board of Directors subject to ceiling laid down in Section 197 of the Companies Act, 2013 read with rules thereto.

Shanmuga Sundaram Selvam

Pursuant to the agreement dated January 18, 2023, Board resolution dated December 15, 2022, and Shareholders' resolution dated January 15, 2023, our Company has set out the terms of the remuneration and other employee benefits payable to Shanmuga Sundaram Selvam, which are as follows:

(in ₹ lakhs)

Term	Particulars
Basic Salary	₹.2.27 lakhs per month in the scale of ₹ 2.27 - ₹0.15 - ₹2.43 lakhs
Perquisites	(i) House rent allowance at 50% of basic salary. (ii) Personal accident insurance coverage (iii) Medical insurance for self & family (iv) Telecommunication facilities at residence (v) Reimbursement of driver salary (vi) Contribution to provident fund, pension fund, superannuation fund, and annuity fund as per rules of the Company (vii) Gratuity as per the provisions of the Payment of Gratuity Act, 1972 or as per the Gratuity scheme of the Company, whichever is higher. (viii) Leave unavailed of, to be allowed to be accumulated/ encashed as per the rules of the Company.

Compensation to the Executive Directors

The following table sets forth the compensation paid by our Company to the Executive Directors of our Company during the current Fiscal from April 1, 2024, till the June 30, 2024 d Fiscals 2024, 2023, and 2022:

(in ₹ lakhs)

S. No.	Name of the Executive Director	Remuneration			
		Fiscal 2025^	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Dinesh Kumar Himatsingka	74.86	392.85	141.52	479.27
2.	Shrikant Himatsingka	74.86	392.85	137.01	234.14
3.	Shanmuga Sundaram Selvam*	9.67	42.57	11.73	-

^ From April 1, 2024, till June 30, 2024
** Appointed w.e.f. December 15, 2022*

2. Remuneration to Non-Executive Directors:

Sitting fees to Non-Executive Independent Directors

Pursuant to the resolution passed by the Board at its meeting held on May 29, 2021, our Non-Executive Directors are entitled to receive sitting fees for attending a meeting of the Board, Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Risk Management Committee Meetings and Independent Directors meetings.

Compensation to the Nominee Director

Pursuant to Section 32(2) of Exim Bank Act, Exim Bank's Nominee Director, Manish Krishnarao Joshi, shall hold office at the discretion of Exim Bank and may be removed or substituted by any person by an order in writing of Exim Bank.

The sitting fees or any other remuneration payable to him for attending meetings of the Board/Committee shall accrue to Exim Bank and shall be paid by the Company directly to Exim Bank. The Company shall also reimburse all travelling and halting allowances and any other expenses payable by Exim Bank in connection with him attending such meetings.

Compensation to the Non-Executive Directors

The following table sets forth the compensation paid by our Company to our Non-Executive Directors during the current Fiscal from April 1, 2024, till June 30, 2024 and Fiscal 2024, Fiscal 2023, and Fiscal 2022:

(in ₹ lakhs)

S. No.	Name of the Non-Executive Director	Total remuneration including sitting fees and profit linked commission			
		Fiscal 2025^	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Harminder Sahni*	2.00	28.00	12.50	-
2.	Sandhya Vasudevan*	2.00	29.00	12.00	-
3.	Shyam Powar**	0.00	25.00	-	-
4.	Manish Krishnarao Joshi***	0.50	0.50	-	-
5.	Ravi Kumar****	1.00	6.00	-	-

^ From April 1, 2024, June 30, 2024
**Appointed w.e.f. November 14, 2022*
***Appointed w.e.f. May 30, 2023*
****EXIM Bank Nominated w.e.f. February 1, 2024*
*****Appointed w.e.f. January 25, 2024*

Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to the Executive Director, whose details are provided in "-*Details regarding our Board*" on page 414 the details of our other Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

Brief biographies of the Key Managerial Personnel

For details of Dinesh Kumar Himatsingka and Shrikant Himatsingka see "*Biographies of our Directors*" on page 416.

The details of our other Key Managerial Personnel are set out below:

Sr. No.	Name	Designation
1.	M. Sankaranarayanan	President Finance and Group Chief Financial Officer
2.	Bindu D.	Assistant General Manager, Corporate Compliance & Company Secretary &

M. Sankaranarayanan is the President Finance and Group Chief Financial Officer of our Company. He has completed his post qualification course on Information System Audit (ISA) from the Institute of Chartered Accountants of India. He is a fellow member of the Institute of Chartered Accountants of India and a qualified Company Secretary. He has several years of experience in diversified industries including infrastructure, steel, power, and hospitality.

Bindu D. is the Assistant General Manager, Company Secretary, and the Compliance Officer of our Company. She is a qualified Company Secretary from The Institute of Company Secretaries of India. She has several years of experience in the field of corporate compliance and company law related matters. She handles secretarial compliance, enabling corporate finance, & due diligence work.

Senior Management

The details of our Senior Management as on the date of this Placement Document are as set forth below:

Name of Senior Management	Designation
Akansha Himatsingka	CEO – Home Textile Solutions
M. Sankaranarayanan	President – Finance & Group CFO
Major (Retd.) Kumud Kumar	President – Human Resources & Group CHRO
Ganapathy C.B.	President – Corporate Affairs & Group General Counsel

Name of Senior Management	Designation
Manu Kapur	President – Business Development (Group)
Jayshree Poddar	Creative Head - Design
Hemant Khandelwal	Executive Vice President & Campus Head – Manufacturing Operations (Hassan)
Lakshman	Senior Vice President – Sourcing & Logistics (Group)
Maria Alapatt	Vice President - Design & Marketing
Bindu D.	Assistant General Manager – Corporate Compliance & Company Secretary

Relationship

Except as stated below none of our Key Managerial Personnel and the members of our Senior Management are related to each other or to the Directors.

Name of the Senior Management Personnel	Name of the related Directors	Relationship
Akanksha Himatsingka	Dinesh Kumar Himatsingka	Daughter-in-law
Akanksha Himatsingka	Shrikant Himatsingka	Wife

Interest of Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, if any.

None of the Key Managerial Personnel and Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and Senior Management was selected as member of key and senior management.

Shareholding of our Key Managerial Personnel and Senior Management

Except as disclosed in "*Board of Directors and Senior Management- Shareholding of Directors of our Company*" on page 417, as of the date of this Placement Document, none of our Key Managerial Personnel or members of the Senior Management hold any Equity Shares in our Company.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and its committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company's executive management provides our Board detailed reports on its performance periodically.

Committees of our Board of Directors

Pursuant to the Board resolutions dated December 15, 2022, May 30, 2023 and May 23, 2024, our Board has reconstituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders'

Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee;

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

S. No.	Committee	Name and Designation of Members
1.	Audit Committee	a. Harminder Sahni - Chairperson b. Shyam Powar – Member c. Shrikant Himatsingka - Member d. Sandhya Vasudevan – Member e. Ravi Kumar - Member
2.	Nomination and Remuneration Committee	a. Harminder Sahni – Chairperson b. Dinesh Kuma Himatsingka – Member c. Sandhya Vasudevan – Member d. Shyam Powar – Member; e. Ravi Kumar - Member
3.	Stakeholders' Relationship Committee	a. Sandhya Vasudevan – Chairperson b. Shanmuga Sundaram Selvam– Member c. Shrikant Himatsingka - Member
4.	Risk Management Committee	a. Shrikant Himatsingka – Chairperson b. Sandhya Vasudevan – Member c. Shanmuga Sundaram Selvam - Member
5.	Corporate Social Responsibility Committee	a. Shrikant Himatsingka – Chairperson b. Sandhya Vasudevan – Member c. Shanmuga Sundaram Selvam – Member d. Dinesh Kumar Himatsingka - Member

Pursuant to the Board resolution dated December 15, 2022 and January 25, 2024, our Board has also constituted a Securities Committee. The following table sets forth details of members of the Securities Committee, as on the date of this Placement Document:

S. No.	Committee	Name and Designation of Members
1.	Securities Committee	a. Shrikant Himatsingka - Chairperson b. Harminder Sahni – Member c. Shanmuga Sundaram Selvam - Member

Pursuant to the Board resolutions dated May 23, 2024, our Board has reconstituted the Finance & Investment Committee. The following table sets forth details of members of the Finance & Investment Committee, as on the date of this Placement Document:

S. No.	Committee	Name and Designation of Members
2.	Finance & Investment Committee	a. Dinesh Kumar Himatsingka - Member b. Shrikant Himatsingka - Member c. Shyam Powar - Member d. Ravi Kumar - Member

Other Confirmations

None of the Directors, Promoter, Key Managerial Personnel or Senior Management of our Company has any financial or other material interest in the Issue and there is no effect of such interest as is different from the interest of other persons.

Neither our Company, nor the Directors or Promoter have ever been identified as wilful defaulters by any Company or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or fraudulent borrowers as defined in the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoter have been debarred from accessing capital markets under any order or direction made by SEBI. Further, neither of the Promoter nor any of the Directors have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors, Promoter, Key Managerial Personnel or Senior Management of our Company intends to subscribe to the Issue.

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company has implemented a code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders, in accordance with the SEBI Insider Trading Regulations, as per which, the Company Secretary of our Company is the Compliance Officer for the purposes of this code.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations apply to our company and its employees and require our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information ("**Code**") in accordance with SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals, immediately preceding the year of circulation of this Placement Document, see section entitled "*Related Party Transactions*" on page 43.

Employee Stock Option Plans

Our Company does not have any employee stock option scheme.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on September 30, 2024, is set forth below.

Table I - Summary Statement holding of specified securities:

Sr.	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (As a % of (A+B+C2))	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoters & Promoter Group	9	4,68,34,592	0	0	4,68,34,592	47.57	4,68,34,592	-	4,68,34,592	47.57	-	47.57	-	-	-	-	4,68,34,592
(B)	Public	56,034	5,16,22,568	0	0	5,16,22,568	52.43	5,16,22,568	-	5,16,22,568	52.43	-	52.43	-	-	-	-	5,12,42,025
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr.	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (As a % of (A+B+C2))	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	Employees Trusts																	
	Total:	**56,043**	**9,84,57,160**	**0**	**0**	**9,84,57,160**	**100**	**9,84,57,160**	**0**	**9,84,57,160**	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**9,80,76,617**

Table II - Statement showing shareholding pattern of the Promoters and Promoter Group

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VII) As a % of (A+B))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI)+(IX) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)			
(1)	Indian																				
(a)	Individuals/Hindu undivided Family	3	2,63,46,224	-	-	2,63,46,224	26.76	2,63,46,224	0	26,34,6224	26.76	-	26.76	-	-	-	-	2,63,46,224	-	-	-
	Dinesh Kumar Himatsingka	1	11,90,2000	-	-	1,19,02,000	12.09	11,902,000	0	11,90,2000	12.09	-	12.09	-	-	-	-	1,19,02,000	-	-	-
	Rajshree Himatsingka	1	58,97,260	-	-	58,97,260	5.99	58,97,260	0	5897260	5.99	-	5.99	-	-	-	-	58,97,260	-	-	-
	Shrikant Himatsingka	1	8,546,964	-	-	8,546,964	8.68	85,46,964	0	8546964	8.68	-	8.68	-	-	-	-	85,46,964	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VII) As a % of (A+B))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI)+(IX) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
(d)	Any Other	5	2,02,50,568	-	-	2,02,50,568	20.57	20,25,0568	0	20,25,0568	20.57	-	20.57	-	-	-	-	2,02,50,568	-	-	-
	Orient Silk Private Limited	1	34,34,768	-	-	3,434,768	3.49	34,34,768	0	34,34,768	3.49	-	3.49	-	-	-	-	34,34,768	-	-	-
	Bihar Mercantile Union Private Limited	1	62,68,234	-	-	62,68,234	6.37	62,68,234	0	62,68,234	6.37	-	6.37	-	-	-	-	62,68,234	-	-	-
	Priya Resources Private Limited	1	31,21,360	-	-	31,21,360	3.17	31,21,360	0	31,21,360	3.17	-	3.17	-	-	-	-	31,21,360	-	-	-
	Awdhan trading company limited	1	41,28,736	-	-	41,28,736	4.19	41,28,736	0	41,28,736	4.19	-	4.19	-	-	-	-	41,28,736	-	-	-
	Aditya Resources Limited	1	32,97,470	-	-	3,297,470	3.35	32,97,470	0	32,97,470	3.35	-	3.35	-	-	-	-	32,97,470	-	-	-
	Sub-Total (A)(1)	5	2,02,50,568	-	-	2,02,50,568	20.57	2,02,50,568		2,02,50,568	20.57	-	20.57	-	-	-	-	2,02,50,568	-	-	-
(2)	Foreign																				

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid - up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VII) As a % of (A+B))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI)+(IX) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	1	2,37,800	-	-	2,37,800	0.24	2,37,800	0	2,37,800	0.24	-	0.24	-	-	-	-	2,37,800	-	-	-
	Priyadarshini Himatsingka	1	2,37,800	-	-	2,37,800	0.24	2,37,800	-	2,37,800	0.24	-	0.24	-	-	-	-	2,37,800	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	1	2,37,800	-	-	2,37,800	0.24	2,37,800	-	2,37,800	0.24	-	0.24	-	-	-	-	2,37,800	-	-	-
	Total Shareholding of Promoters and Promoter Group	9	4,68,34,592	0	0	4,68,34,592	47.57	4,68,34,592	0	4,68,34,592	47.57	0	47.57	0	0	0	0	4,68,34,592	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid - up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+ V)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VII) As a % of (A+B))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI)+(IX) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+ C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
	(A)=(A)(1)+(A)(2)																				

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid - up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (A+B)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI+X)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)			
(1)	Institutions (Domestic)																				
(a)	Mutual Funds	4	2,30,173	0	0	2,30,173	0.23	2,30,173	0	2,30,173	0.23	0	0.23	0	0			2,30,173	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	1	1,00,000	0	0	1,00,000	0.1	1,00,000	0	1,00,000	0.1	0	0.1	0	0			1,00,000	-	-	-
(d)	Banks	3	2,400	0	0	2,400	0	2,400	0	2,400	0	0	0	0	0			400	-	-	-
(e)	Insurance Companies	1	67,285	0	0	67,285	0.07	67,285	0	67,285	0.07	0	0.07	0	0			6,7285	-	-	-
(f)	Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Asset Reconstruction Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	NBFC Registered with RBI	1	5,500	-	-	5,500	0.01	5,500	-	5,500	0.01	-	0.01	-	-	-	-	5,500	-	-	-
(j)	Other Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-			0	0	0	-
(k)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	10	4,05,358	0	0	4,05,358	0.41	4,05,358	0	4,05,358	0.41	0	0.41	0	0			4,03,358	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid - up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (A+B)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI+X)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
(2)	Institutions (Foreign)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Foreign Direct Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Foreign Venture Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Sovereign Wealth Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors Category I	44	31,07,378	-	-	31,07,378	3.16	31,07,378	-	31,07,378	3.16	-	3.16	-	-	-	-	31,07,378	-	-	-
	Jupiter India Fund	1	12,82,013	-	-	12,82,013	1.3	12,82,013	-	12,82,013	1.3	-	1.3	-	-	-	-	1,282,013	-	-	-
(e)	Foreign Portfolio Investors Category II	3	1,57,638	-	-	1,57,638	0.16	1,57,638	-	1,57,638	0.16	-	0.16	-	-	-	-	1,57,638	-	-	-
(f)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Any Other (Institutions (Foreign))	2	3,600	-	-	3,600	-	-	-	3,600	-	-	-	-	-	-	-	3,200	-	-	-
	Others	1	3,200	-	0	3,200	-	3,200	-	3,200	-	-	-	-	-			3,200	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid - up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (A+B)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI+X)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
	Foreign Institutional Investors	1	400	-	0	400	-	400	-	400	-	-	-	-	-			0	-	-	-
	Sub Total (B)(2)	49	32,68,616	-	0	32,68,616	3.32	32,68,616	-	32,68,616	3.32	0	3.32	0	0			32,68,216	-	-	-
(3)	Central Government/State Government(s)/President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Central Government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	State Government / Governor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(4)	Non-Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid - up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (A+B)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI+X)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
(a)	Associate companies / Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Directors and their relatives (excluding independent directors and nominee directors)	2	24,701	0	0	24,701	0.03	24,701	0	24,701	0.03	0	0.03	0	0			24,701	2	24,701	0
(c)	Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoters and Promoter Group' category)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Trusts where any person belonging to 'Promoters and Promoter Group' category is 'trustee',	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid - up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (A+B)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI+X)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
	'beneficiary', or 'author of the trust'																				
(f)	Investor Education and Protection Fund (IEPF)	1	3,44,175	-	-	3,44,175	0.35	3,44,175	0	3,44,175	0.35	-	0.35	-	-	-	-	3,44,175	-	-	-
(g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	53,163	2,56,51,471	-	-	2,56,51,471	26.05	2,56,51,471	0	25,65,1471	26.05	-	26.05	-	-	-	-	2,53,73,568	-	-	-
(h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	68	1,20,25,827	-	-	1,20,25,827	12.21	1,20,25,827	0	12,02,5827	12.21	-	12.21	-	-	-	-	1,20,25,827	-	-	-
	Veluru Girinatha Prakash	1	13,48,981	-	-	13,48,981	1.37	13,48,981	0	1365982	1.37	-	1.37	-	-	-	-	13,48,981	-	-	-
	Aditya Himatsingka	1	14,29,101	-	-	14,29,101	1.45	14,29,101	0	1429101	1.45	-	1.45	-	-	-	-	14,29,101	-	-	-
	Ranjana Himatsingka	1	13,65,982	-	-	13,65,982	1.39	13,48,982	0	13,48,982	1.39	-	1.39	-	-	-	-	13,48,982	-	-	-
(i)	Non-Resident Indians (NRIs)	979	27,30,847	-	-	27,30,847	2.77	273,0,847	0	2730847	2.77	-	2.77	-	-	-	-	26,37,507	-	-	-
(j)	Foreign Nationals	0	0	-	-	-	-	-	-	-	-	-	0	-	-	-	-	0	-	-	-
(k)	Foreign Companies	0	0	-	-	-	-	-	-	-	-	-	0	-	-	-	-	0	-	-	-

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid - up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (III+IV+V)	Shareholding as a % of total no of shares (A+B)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VI+X)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub category (i)	Sub category (ii)	Sub category (iii)
(l)	Bodies Corporate	424	46,51,782	-	-	46,51,782	4.72	46,51,782	0	4651782	4.72	-	4.72	-	-	-	-	46,44,882	-	-	-
(m)	Any Other	1,338	25,19,791	-	-	25,19,791	2.56	25,197,91	0	2519791	2.56	-	2.56	-	-	-	-	25,19,791	-	-	-
	Clearing Members	4	2,683	-	-	2,683	0	2,683	0	2,683	-	-	-	-	-			2,683	-	-	-
	H U F	1332	1517098	-	-	15,17,098	1.54	1,517,098	0	15,17,098	1.54	-	1.54	-	-			15,17,098	-	-	-
	Trusts	2	10,00,010	-	-	10,00,010	1.02	10,00,010	0	10,00,010	1.02	-	1.02	-	-			10,00,010	-	-	-
	Aditya Himatsingka	1	10,00,000	-	-	10,00,000	1.02	10,00,000	0	10,00,000	1.02	-	1.02	-	-			10,00,000	-	-	-
	Sub Total (B)(4)	55,975	4,79,48,594	-	-	4,79,48,594	48.7	4,79,48,594	0	47948594	48.7	-	48.7	-	-			47570451	-	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)	56,034	5,16,22,568	-	-	5,16,22,568	52.43	5,16,22,568	0	51622568	52.43	-	52.43	-	-			51242025	-	-	-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Bid Amount, 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 assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "Selling Restrictions" and "Transfer Restrictions" on pages 453 and 461, respectively.

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this 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 Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Bidders were advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that have applied in the Issue were required to confirm and are deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, employees, counsels, officers, agents, affiliates and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For details, see section titled, "Selling Restrictions" and "Transfer Restrictions" on pages 453 and 461, respectively.

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 other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have adopted a special resolution by way of a postal ballot resolution dated March 1, 2024, the results of which were declared on March 4, 2024, approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the Issue and (b) the Relevant Date for the Issue;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, 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, equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to pass the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer letter (i.e., this Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made, within 30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by the Company shall have been completed or the Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter, the Company must prepare and record a list of Eligible QIBs to whom the offer 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;

- our 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;

- the Promoters and Directors are not fugitive economic offenders;

- the Promoters or Directors are not declared as wilful defaulters; and

- the Promoters or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

Please note that the requirement under Regulation 172(1)(b) of the SEBI ICDR Regulations, i.e. the Equity Shares of the same class of our Company, which were allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution.

At least 10% of the Equity Shares issued to Eligible QIBs was allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remained unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Securities Committee decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the special resolution of our Shareholders passed by way of a postal ballot dated March 1, 2024, the results of which were declared on March 4, 2024, our Company offered a discount of 5% amounting to ₹7.71 per Equity Share on the Floor Price in accordance with the SEBI ICDR Regulations. The Issue Price was to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176(4) of the SEBI ICDR Regulations.

The Equity Shares must be Allotted within 365 days from the date of the Shareholders' resolution approving the Issue being March 1, 2024, and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 448.

Subscription to the Equity Shares offered pursuant to the Issue were made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document, which contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under 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 this 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.

This Issue was authorized and approved by our Board on January 25, 2024 and approved by our Shareholders, by way of a postal ballot resolution dated March 1, 2024 the results of which were declared on March 4, 2024. This Issue is approved for raising a sum not exceeding ₹400 crore (including premium), in one or more tranches.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250 crore; and
- five, where the issue size is greater than ₹250 crore.

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 details of what constitutes "same group" or "common control", see section "*—Bid Process—Application Form*" on page 444.

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 a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

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, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Equity Shares 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 the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 453 and 461, respectively. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside 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.

Our Company has filed a copy of the Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE on October 24, 2024. We will file a copy of this Placement Document with the Stock Exchanges.

Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Managers have 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 each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company has maintained records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form were

dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered will be determined by our Company in consultation with the Book Running Lead Managers, at their sole discretion.

2. **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 make an offer 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.

3. Eligible QIBs were required to submit the Application Form, including any revisions thereof along with the Bid Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. 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, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders were required to indicate the following in the Application Form:

- it has agreed to certain other representation as set forth in the Application Form and the Preliminary Placement Document;
- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details and bank account details;
- number of Equity Shares Bid for;
- price at which they were agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
- an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;
- Equity Shares held by the Eligible QIBs in our Company prior to the Issue;
- details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited; and
- 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 will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund have not been treated as one application from the Mutual Fund. Bidders are 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 law.

5. Each Bidder were required to make the entire payment of the Bid Amount for the number of Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name "Himatsingka Seide Limited – QIP Escrow Account" within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that 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. 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 appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final trading approval 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, 2013. 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 withdrew 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 449.

6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not have been withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date was 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.

7. The Eligible QIBs acknowledge that in accordance with the requirements 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 any other regulatory filing and have consented to such disclosure, if any Equity Shares were allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company has, in consultation with Book Running Lead Managers 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 Book Running Lead Managers have sent the serially numbered CAN and this Placement Document to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document to a Successful Bidder are deemed 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 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. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation has been made at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

10. Upon determination of the Issue Price and the issuance of CAN and prior to Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, 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.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, 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.

13. 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.

14. Our Company will then apply for the final listing and trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

16. 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 final listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Prospective investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

17. 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 Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the 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, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules have been 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:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with 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;
- Mutual Funds;

- pension funds with minimum corpus of ₹25 crore, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- 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;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Eligible FPIs were permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules respectively, in this Issue. Eligible FPIs were permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules. FVCIs are not permitted to participate in this Issue.

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 more of the post-Issue Equity Share Capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up equity share capital of our Company. In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) 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, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the 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 limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. The existing aggregate investment limit for FPIs in the Company is 100% of the paid-up capital of the Company.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI 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 NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, 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 timeIn terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, promoters, 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.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoters.

Our Company, the Book Running Lead Managers 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, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are 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. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

Note: *Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Managers 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. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of th Preliminary Placement Document, the Eligible QIB was deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 3, 453 and 461 respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to any of the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter 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 which shall not be deemed to be a person related to the Promoters;

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Eligible QIB 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 on the Stock Exchanges;

6. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

8. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India 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;

9. The Eligible QIB 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, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB 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;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company was required to disclose the names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers;

11. 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 Issue Closing Date;

12. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(i) of the SEBI Takeover Regulations;

13. The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

14. The Eligible QIB confirms that it is purchasing the Equity Shares in an “offshore transaction” in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

15. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchanges.

ELIGIBLE QIBS 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 BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN “ELIGIBLE QIB” AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, 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 to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms 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. Additionally, the Application Form was required to include details of the relevant Escrow Account into which the Bid Amounts were required to be deposited. The Bid Amount was required to be deposited in the Escrow Account as is specified in the Application Form and the Application Form were required to be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Axis Capital Limited 1st Floor, Axis House, P.B. Marg, Worli, Mumbai 400 025 Maharashtra, India **Contact Person:** Animesh Vanjari Email: himatsingka.qip@axiscap.in **Phone No.:** +91 22 4325 2183	**SBI Capital Markets Limited** 1501, 15th floor, A & B Wing, Parinee Crescenzo, G Block Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India **Contact Person**: Raghavendra Bhat **E-mail**: hsl.qip@sbicaps.com **Phone No.**: +91 22 4006 9807

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue, were required to pay the entire Bid Amount along with the submission of the complete Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the " Himatsingka Seide Limited – QIP Escrow Account" (with HDFC Bank Limited) in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders was required to deposit the entire Bid Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash was liable to be rejected.

If the payment is not made favouring the "Himatsingka Seide Limited – QIP Escrow Account" within the Issue Period stipulated in the Application Form, the Application Form of the Eligible QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Himatsingka Seide Limited – QIP Escrow Account" with HDFC Bank Limited only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "-*Refunds*" on page 449.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form. Applications without this information was considered incomplete and were liable to be rejected. Bidders have not 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.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book was required to be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, was required to determine the Issue Price, which shall be at or above the Floor Price. However, our Company has offered a discount of 5% amounting to ₹7.71 per Equity Share on the Floor Price in accordance with the special resolution of our Shareholders passed by way of a postal ballot dated March 1, 2024, the results of which were declared on March 4, 2024 and in terms of Regulation 176 of the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company has updated this Placement Document with the Issue details and has filed the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company has determined the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs was made at the Issue Price. Allocation to Mutual Funds for up to 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 BRLMs had the right 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 BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS 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 BOOK RUNNING LEAD MANAGERS 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 Book Running Lead Managers, in their sole and absolute discretion, has decided the Successful Bidders to whom the serially numbered CAN has been dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allotted has been notified to such Successful Bidders. Additionally, the CAN will include 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 the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs is deemed to be valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

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 "*Notice to Investors*" on page 1 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

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.

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final listing and trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

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.

After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as the 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 Bid Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdrawn the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which the Bid Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Bid Amount, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges. our Company shall repay the Bid Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

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 listing and trading 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.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, could have rejected Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids is final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder was required to be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "*Bid Process*" and "– *Refund*" on pages 444 and 449, respectively.

Equity Shares in dematerialized 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 who have applied for Equity Shares to be issued pursuant to the Issue were 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 Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will 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.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the Escrow Account to our Company until receipt of notice from the Book Running Lead Managers, the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC, whichever is later.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated October 24, 2024, with our Company, pursuant to which the Book Running Lead Managers have agreed to manage the Issue and procure subscription to Equity Shares on a reasonable efforts basis to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Th Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Managers, 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 Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares 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 the applicable laws of the jurisdiction where those offers and sales are made. For further information, see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 453 and 461, respectively. 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 issued pursuant to the Issue, were offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers 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 Managers 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*" on page 8.

From time to time, the Book Running Lead Managers, and their affiliates and associates 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, group companies, affiliates and the shareholders of our Company, 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 Managers and their affiliates and associates.

Lock-up

Our Company undertakes that it will not for a period of 60 days from the Closing Date, without the prior written consent of the BRLMs, 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), however, the foregoing restriction shall not be applicable to the (i) the issuance of the Issue Shares pursuant to the Issue; (ii) conversion of the convertible securities including the FCCBs as disclosed in the Placement Documents to Equity Shares; and (iii) any transaction required by law or an order of a court of law or a statutory authority.

Promoter Lock-up

Our Promoters, jointly and not severally, have undertaken that they will not for a period of 60 days from the Closing Date, without the prior written consent of the Placement Agents, directly or indirectly: (a) sell, lend, contract to sell 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; (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) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) 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 (b) above.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. 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. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and 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. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described under "*Transfer Restrictions*" on page 461.

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 the Offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible 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.

Australia

This Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("Exempt Investors"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in 253 circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares that shall be offered pursuant to this Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

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. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Managers 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 Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 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 Lead Managers of such fact in writing and has received the consent of the Lead Managers 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 Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale 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 in 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 financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and 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.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this 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, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory 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 Equity Shares 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. The persons representing the Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. 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 and Qatar Financial Centre

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (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) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. 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
ii. 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,

securities (as defined in Section 239(1) of the SFA) 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 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(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).

Sultanate of Oman

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It 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 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. Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public 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" (excluding "**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. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the 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 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 Lead Managers 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 Shares shall require the Company or any Lead Managers 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 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 Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Placement Document is directed only at relevant persons. Other persons should not act on the Placement Document or any of its contents. The 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 of America

The Equity Shares 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, unless so registered, 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. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see "*Transfer Restrictions*" on page 461.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including 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. For more information, see "*Selling Restrictions*" on page 453.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act 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.

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and (v) have no need for liquidity with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the Book Running Lead Managers 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 and warranties. It will not hold any of the Company or the Book Running Lead Managers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLM and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered 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 Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), 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) Regulations 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 portfolio investor, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

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 SEBI, the BSE was incorporated as a company under the Companies Act, 1956 on August 8, 2005. BSE was listed on NSE with effect from February 3, 2017.

NSE

The 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. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

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 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 non-compliance 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. Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosures under the Companies Act and SEBI Listing Regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public listed companies are required 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.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25.00%. Where the public shareholding in a listed company falls below 25.00% at any time, such company shall bring the public shareholding to 25.00% within a maximum period of 12 months. However, every public sector listed company whose public shareholding falls below 25.00% 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 25.00%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the abovementioned requirements.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, 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.

Internet-based Securities Trading and 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. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Settlement

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday.

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 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. In the year 2014, BSE introduced its new generation fully automated BSE on-line trading platform ("**BOLT+**") through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes 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.

SEBI Insider Trading Regulations

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 unpublished price sensitive information ("**UPSI**") relating to such companies and securities to any person including other insiders; and (ii) no person shall procure from 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 Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media . An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

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.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

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 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 SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association, and the relevant sections of the Companies Act, 2013. 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.

Share Capital

Our Company's authorized Share Capital is ₹7,500.00 lakhs divided into 15,00,00,000 Equity Shares of ₹5 each. As on the date of the Preliminary Placement Document, the issued share capital of the Company is ₹ 4,924.81 lakhs divided into 9,84,96,160 Equity Shares* of face value of ₹5 each, and the subscribed and paid up share capital of our Company is ₹4,922.86 lakhs divided into 9,84,57,160 Equity Shares of face value ₹5 each.

** As on the date of the Preliminary Placement Document, 39,000 Equity Shares were issued but not subscribed to, and have been kept in abeyance pending resolution of legal dispute amongst certain shareholders of the Company.*

Dividends

Under Indian law, a company pays final dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, 2013 unless the board of directors of a company recommends the payment of interim dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act, 2013 and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act, 2013 and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by our Company in pursuance of a guarantee given by that Government.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act, 2013 permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets.

Pre-emptive Rights and Alteration of Share Capital

The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. Subject to the provisions of Section 61, the 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; (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. 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(1)(a) of the Companies Act 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 may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. 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.

General Meetings of Shareholders

All general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, call an extraordinary general meeting. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company read with Section 100 of the Companies Act, 2013, may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, , the directors present shall elect one of their members to be Chairperson of the meeting.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, (a) on a show of hands, every member present in person shall have one vote; and (b) 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 shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act, 2013 read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

Directors

The Articles of Association provide that the minimum number of Directors shall be three and a maximum of fifteen. However, the Company may appoint more than fifteen Directors after passing a special resolution. Subject to the provisions of section 149 of the Companies Act, 2013, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

The sitting fees payable, to the Directors aforesaid shall be within the maximum limits of such fees that may be prescribed under the Rules to Section 197 of the Companies Act, 2013.The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company.

Transfer and Transmission of Shares

The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may, subject to the right of appeal conferred by section 58 of the Companies Act, 2013 decline to register (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the company has a lien. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Winding Up

Subject to the rights of depositors, creditors and employees, in the event of winding up of our Company, the holders of the Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on these Equity Shares. All surplus assets remaining belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on these Equity Shares, respectively, at the commencement of the winding up.

TAXATION

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors
Himatsingka Seide Limited
10/24 Kumara Krupa Road, High Grounds,
Bangalore – 560001,
Karnataka, India

Sub: Statement of possible possible special taxation aspects in relation to eligible securities applicable to Himatsingka Seide 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 Himatsingka Seide Limited (the "Company") hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, The Customs Act, 1962, The Customs Tariff Act, 1975 and the Foreign Trade Policy (collectively the "Taxation Laws"), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024, and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company and its 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 statute. Hence, the ability of the Company and its shareholders identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to derive the special tax benefits 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 such conditions for availing special tax benefits.

2. This statement of possible special tax benefits is required as per Schedule VII(18) of the 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 Laws 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. The 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.

4. The 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 Offer 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.

5. In respect of non-residents, the tax rates and the consequent taxation 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.

6. 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.

7. We do not express any opinion or provide any assurance on 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; and
   - The revenue authorities/courts will concur with the views expressed herein.

8. The contents of the enclosed statement are based on the 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.

9. 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.

10. This statement is addressed to the 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

Vikram Dhanania
Partner
Membership No: 060568
UDIN:

Place: Mumbai
Date: October 24, 2024

Enclosure:

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAXATION LAW IN INDIA

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:

- In accordance with and subject to fulfilment of conditions as laid out under Section 80-IA of the IT Act a company shall be eligible to claim deduction of an amount equal to 100% of the profits and gains derived from business of generating power. Deduction under section 80-IA of the IT Act can be claimed for any 10 consecutive assessment years out of 15 years beginning from the year in which the enterprise begins the operation of generation of power.

  The Company has represented to us that the Company has set-up captive power plant and started operations of generation of power and it is eligible to claim deduction under section 80-IA of the IT Act. The Company has started claiming deduction under section 80-IA of the IT Act from AY 2016-17 onwards and is eligible to claim deduction of an amount equal to 100% of the profits and gains derived from business of generating power until AY 2025-26, subject to other provisions of the IT Act.

- Section 115JB- Special provision for payment of tax by certain companies.

  Notwithstanding anything contained in any other provision of this Act, where in the case of an assessee, being a company, the income-tax, payable on the total income as computed under the Act in respect of any previous year relevant to the assessment year commencing on or after the 1st day of April, 2012, is less than fifteen per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable by the assessee on such total income shall be the amount of income-tax at the rate of than fifteen per cent. The tax payable under MAT shall be increased by applicable surcharge and education cess.

  Book profit means the net profit as shown in the profit & loss account for the year as increased and decreased by some items as prescribed under the act. When any amount of tax is paid as MAT by the company, then it can claim the credit of such tax paid in accordance with the provision of section 115JAA ('MAT Credit')

  MAT Credit will be difference of Tax paid as per MAT calculation and Income tax payable under normal provision of Income-tax Act. Such MAT Credit shall be eligible to be carried forward and set off for 15 Assessment Years immediately succeeding the assessment year in which such credit has become allowable. Set off of MAT Credit shall be allowed for any assessment year to the extent of the difference between tax payable as per the normal provisions of the Act and MAT calculated as per section 115JB of the Act.

- 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

- Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders of the Company under the Tax Laws identified supra

For **Himatsingka Seide Limited**

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Chief Financial Officer

Place: Bengaluru
Date: October 24, 2024

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA

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, Goods and Service Tax (Compensation to States) 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, 2024 and 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. Benefit of Export Promotion Capital Goods scheme (EPCG) under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):
   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. Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:
   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.

3. 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):
   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.

4. 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):
   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.

5. 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 availing both these benefits.

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, Goods and Service Tax (Compensation to States) 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, 2024, 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").

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 fulfill.

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 2021 to 23 October 2024, 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.

For **Himatsingka Seide Limited**

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Chief Financial Officer

Place: Bengaluru
Date: October 24, 2024

LEGAL PROCEEDINGS

Our Company and Subsidiaries may, from time to time, be involved in various litigation proceedings in the ordinary course of our business. These legal proceedings may primarily be in the nature of civil suits, criminal proceedings, regulatory/ statutory proceedings, and tax proceedings before various authorities. We assess each such legal proceeding filed by or against us and monitor the legal position on an ongoing basis.

*Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Company's 'Policy for Determination and Disclosure of Material Events or Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**") and adopted by the Board of Directors pursuant to its resolution dated October 22, 2024.*

The following legal proceedings have been disclosed in this section:

(a) outstanding criminal proceedings involving our Company, our Subsidiaries, our Promoters and our Directors;
(b) any action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) which is outstanding and involves our Company and our Subsidiaries;
*(c) any outstanding civil litigation and tax proceedings involving our Company, our Subsidiaries, or our Directors, where the amount involved is ₹ 529.53 lakhs (being 5% of the average of absolute value of profit after tax as per the last three audited consolidated financial statements of our Company) ("**Materiality Threshold**") or above;*
(d) consolidated disclosure of all outstanding tax proceedings involving our Company and our Subsidiaries;
(e) any other litigation involving our Company, our Subsidiaries, our Promoters or our Directors which is non-quantifiable and may have a material adverse effect on our Company or which otherwise may be considered material by our Company and/ or has been intimated to the Stock Exchanges by our Company in accordance with the Materiality Policy, for the purposes of disclosure in this section of this Placement Document; and
(f) any outstanding litigation involving our Directors and Promoters which, in case of an adverse outcome, could materially and adversely affect the financial position, business, operations, prospects or reputation of the Company, as determined by the Board of the Company.

This Placement Document also discloses (a) any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or the Companies Act, 1956 in the last three years preceding the year of this Placement Document involving our Company or our Subsidiaries, and 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 for our Company or Subsidiaries; (b) any material fraud committed against our Company in the last three financial years and if so, the action taken by our Company; (c) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (d) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; or (iv) loan from any bank or financial institution and interest thereon; (e) default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; and (f) litigation or legal actions (including regulatory actions), pending or taken, by any ministry or department of the government or a statutory authority against our Promoters during the last three years preceding the year of this Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiaries, our Promoters or our Directors as the case may be, from third parties (excluding those notices issued by statutory or governmental or regulatory or taxation authorities) shall not, unless otherwise decided by the Board of Directors, be considered as material litigation until such time that the above-mentioned entities are impleaded as a defendant in litigation proceedings before any judicial or arbitral forum.

Litigation involving our Company

Litigation against our Company

Material Civil Litigation

1. A special civil suit no. 433/2023 was filed by Vilas Subhash Deore (the "**Plaintiff**") against our Company, our Directors, Dinesh Kumar Himatsingka, Shrikant Himatsingka and our Executive Vice-President, Ganapathy C.B. (together, the "**Defendants**") before the Court of Civil Judge, Senior Division, Dhule on December 20, 2023, alleging malicious prosecution and claiming damages of ₹ 2,000 lakhs being aggrieved by an FIR registered by the Company against the Plaintiff The FIR was registered by the Company on April 8, 2022 under Sections 406, 409, 418 and 420 of the Indian Penal Code, 1860, on account of a dispute between the company of the Plaintiff, i.e., Shriganesh Textile and Infrastructure (India) Private Limited ("**Shriganesh Textile**"), and our Company, over unpaid dues of Shriganesh Textile pursuant to an arrangement under which the Company would supply cotton fibre to Shriganesh Textile and Shriganesh Textile would convert the cotton fibre into yarn and sell the same to our Company. The FIR was subsequently quashed by the High Court of Karnataka under Section 482 of the Code of Criminal Procedure, 1973 pursuant to its order dated July 15, 2022 in criminal petition no. 4346 of 2022, and also affirmed by the Supreme Court on October 10, 2022. In their written statement

filed before the court of civil judge, senior division, Dhule in special civil suit no. 433 of 2023, the Defendants have submitted that the suit filed by the Plaintiff is not maintainable since the court of civil judge, senior division, Dhule, lacks territorial jurisdiction and the suit is barred by limitation, is false and frivolous made with mala-fide intentions. The matter is currently pending.

2. A commercial suit no. 02 of 2023 was filed by Shriganesh Textile and Infrastructure (India) Private Limited ("**Shriganesh Textile**") before the Commercial Court in Dhule on October 1, 2023, claiming damages of ₹ 947.96 lakhs from our Company under the Commercial Courts Act, 2015 on the grounds of alleged irregularities by our Company in supplying material, raising invoices and making payment to Shriganesh Textile. The matter is currently pending. For further details, see "*Legal Proceedings – Litigation by our Company"* on page 479.

Criminal Litigation

1. A private complaint bearing P.C.R. No. 4918/2024 was filed by M/s EMIT Corporation (the "**Complainant**") against our Company, our Directors, Shrikant Himatsingka, Harminder Sahni, Sandhya Vasudevan, Shanmuga Sundaram Selvam, Dinesh Kumar Himatsingka, Shyam Powar, our President of Finance and Group Chief Financial Officer, Shankarnarayan and our former company secretary, Sridhar Muthukrishnan (together, the "**Accused**") before the Court of the Additional Chief Metropolitan Magistrate, Bengaluru on April 10, 2024. The Complainant was engaged with our Company to facilitate power infrastructure and alleges that the accused has wrongfully enriched themselves by not paying the entire amount thereby, alleging cheating , criminal breach of trust and dishonesty and claiming imprisonment or fine along with interest and compensation or both under Sections 418, 420, 504 and 506 r/w 34 of IPC. Pursuant to the email notice dated August 28, 2023, the Complainant filed an FIR on November 4, 2023 and a counter complaint was filed on November 1, 2023 before the Circle Inspector of Police regarding misappropriation, harassment, criminal breach of trust, extortion and criminal intimidation against Shrikant Himatsingka. The Complainant on February 01, 2024 filed a private complaint bearing P.C.R./1991/2024 before the III Addl. Chief Judicial Magistrate, Bengaluru which was withdrawn on July 15, 2024. In a criminal petition to quash the proceedings filed by the Accused against the State of Karnataka and the Complainant on August, 2024, the accused maintain that the dispute at hand arises out of a contract between the parties and thus is purely civil in nature, however, the Respondent has resorted to filing frivolous criminal complaints. The matter is currently pending.

2. A criminal complaint no. CC 2927/2016 was filed by the inspector of factories ("**Inspector**") against the Company and the factory manager on May 5, 2016 before the Court of the Judicial Magistrate (First Class), Hassan, Karnataka ("**Trial Court**"), alleging non-compliance of Section 92 of the Factories Act, 1948 ("**Factories Act**") due to inadequate safeguard in a rotating part which led to serious injuries in the worker's left arm to upper limb. The matter is currently pending.

3. A criminal complaint no. CC 4350/2019 was filed by the inspector of factories ("**Inspector**") against the Company and the factory manager on October 4, 2019 before the Court of the Judicial Magistrate (First Class), Hassan, Karnataka ("**Trial Court**"), alleging non-compliance of Section 92 of the Factories Act, 1948 ("**Factories Act**") whereby a contract labourer stepped into a steel plate, causing her to fall into an electrical trench and sustain injuries. The matter is currently pending.

4. A criminal complaint no. CC 3130/2019 was filed by the inspector of factories ("**Inspector**") against the Company and the factory manager on July 16, 2019 before the Court of the Judicial Magistrate (First Class), Hassan, Karnataka ("**Trial Court**"), alleging non-compliance of Section 92 of the Factories Act, 1948 ("**Factories Act**") and the Karnataka Factories Rules, 1969 whereby a worker succumbed to his injuries at work as a lorry ran over the worker while he was resting under the truck inside the plant premises, due to absence of proper resting facilities. The matter is currently pending.

Actions taken by regulatory and statutory authorities

1. Our Company received notices from the BSE and NSE (collectively, "**Stock Exchanges**") on May 22, 2023 and August 21, 2023 ("**Notices**") for violating *inter alia* the board composition, as required under Regulation 17(1) of the Listing Regulations. Pursuant to a loan agreement entered into between our Company and EXIM Bank ("**Bank**"), a nominee director of the Bank had been appointed to the Board, as a result of which, half the Board no longer comprised of independent directors, as required under Regulation 17 of the Listing Regulations. The Stock Exchanges, pursuant to the Notices, had imposed a fine of ₹ 1.36 lakhs and ₹ 5.25 lakhs. On June 15, 2023, our Company filed waiver applications with the Stock Exchanges and also represented to the Stock Exchanges that a time-period of 3 months should be available to the Company to restore the composition as act of nomination of a Director by the Bank on the Company's Board was beyond the control of the Companyand. On June 23, 2023, our Company sent a response to the Stock Exchanges stating that Regulation 17 of the Listing Regulations provides a three-month window to fill the vacancy caused due to resignation by an independent director and that the appointment of a director and resignation of another director, on the same day are two separate events and both the events cannot be combined. Further, the Company requested the Stock Exchanges to unfreeze the promoter shareholding at the earliest. On August 11, 2023, and August 22, 2023, our Company further intimated the Stock Exchanges that the Bank had withdrawn its nomination of the director, that the Company has remitted the fine amount of ₹ 1.36 lakhs and ₹ 5.25 lakhs and that it had filed a waiver application to contend the time limit available to the Company for appointing an additional independent director. While on June 24, 2024, our Company received an email

from BSE in relation to the fine amount of ₹ 5.25 lakhs, pursuant to which, fine amounting to ₹ 1.83 lakhs was waived by the BSE for the quarter ended June, 2023, whereas NSE as on date, has not responded to our waiver application.

2. Our Company pursuant to an email dated October 18, 2024 from the NSE was required to provide reasons for delay in submission of annual report by one day with the NSE for the year ended March 31, 2024. Our Company is required to submit to the stock exchanges and publish on its website a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders, as per Regulation 34 of SEBI Listing Regulations, 2015. The Company pursuant to an email dated October 23, 2024, responded that the delay was on account of a technical hang of the laptop through which the submission was being made and requested for condonation of delay. The Company is yet to receive any written communication from NSE in this regard.

Litigation by our Company

Material Civil Litigation

1. Our Company and Umashankar A.R. (individually "the **Petitioner**" and together, the "**Petitioners**") have filed a writ petition bearing number 2770 of 2022, dated February 1, 2022 before the High Court of Karnataka ("**High Court**") claiming a subsidy of ₹ 4,926.22 lakhs under the Revised Restructured Technology Upgradation Fund Scheme ("**RR-TUFS**") introduced by the Ministry of Textiles ("**Ministry**"). Pursuant to the RR-TUFS, on October 10, 2015, the Petitioner was granted a technology upgradation fund loan of ₹ 18,000 lakhs sanctioned by EXIM Bank, for doubling the sheeting capacity at an expansion project in Hassan. On January 1, 2016, the Petitioner made an application claiming the subsidy of 4,926.22 lakhs under the RR-TUFS. On January 13, 2016, the Ministry introduced the amended Technology Upgradation Fund Scheme ("**ATUFS**") which introduced a cap of ₹ 3,000 lakhs on the subsidy. The Ministry failed to allot a Unique Identification Number ("**UIN**"), citing shortage of funds and discrepancies in the application of the Petitioner. Despite rectification of discrepancies and submission of the RR-TUFS application of the Petitioner within the timelines, the application could not be processed and the Ministry directed the Petitioner to file a fresh application under ATUFS. However, the Petitioner contended that it could not have filed an application under ATUFS on account of the cap on subsidy imposed therein and sought relaxation of the same. Aggrieved by the non-disbursement of funds under the RR-TUFS, the Petitioner filed a writ petition bearing number 42140 of 2018 under Articles 226 and 227 of the Constitution of India before the High Court on September 19, 2018. Subsequently, the High Court disposed the writ petition, stating that the Petitioner is eligible under RR-TUFS and directed the Ministry to pass appropriate orders within three months of granting an opportunity of being heard to the Petitioner. Aggrieved by the order passed by the Ministry on February 26, 2020, the Petitioner filed another writ petition bearing number 13626 of 2020 on July 6, 2020 to quash the orders passed by the Ministry and to release ₹ 4,926.22 lakhs. On August 26, 2021, the High Court allowed the writ petition, setting aside the order passed by the Ministry and directed the Ministry to reconsider the claim of the Petitioner within a period of eight weeks. Upon lapsing of the period of eight weeks, the Petitioner issued a contempt notice to the Ministry on December 1, 2021, pursuant to which the Ministry, pursuant to its order dated December 10, 2021, again rejected the claim of the Petitioner, on account of the time taken to process the UIN application. Thereafter, on February 1, 2022, the Petitioner filed the writ petition bearing number 2770 of 2022, seeking quashing of the order dated December 10, 2021 and directing the Ministry to release the sum of ₹4,926.22 lakhs. Additionally, the Petitioners have sought an interim prayer that pending disposal of the writ petition of 2770 of 2022, the Ministry be directed to deposit ₹4,926.22 lakhs towards the Petitioner's entitlement under RR-TUFS. The matter is currently pending.

2. Our Company has filed a claim of unpaid operational debts for ₹ 1,186.49 lakhs against Shriganesh Textile and Infrastructure (India) Private Limited ("**Shriganesh Textile**") under the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). Our Company and Shriganesh Textile had entered into an arrangement, pursuant to which, the Company would supply cotton fibre to Shriganesh Textile and Shriganesh Textile would convert the cotton fibre into yarn and sell the same to our Company. The consideration for this transaction would be the difference in value between the purchase of cotton fibre and the sale of yarn by Shriganesh Textile. Pursuant to this arrangement, our Company had raised invoices for the supply of cotton fibre to Shriganesh Textile. However, Shriganesh Textile did not pay for the invoices. On March 9, 2022 our Company issued a demand notice ("**Demand Notice**") under Section 8 of the IBC, claiming an operational debt of ₹ 901.08 lakhs, along with an interest of 18% per annum. On March 23, 2022, Shriganesh Textile replied to the Demand Notice, stating that our Company would not be deemed as a creditor for the purposes of the IBC. On November 2, 2022, our Company filed a mediation application as required under Rule 3(1) of the Commercial Courts (Pre-Institution Mediation and Settlement) Rules, 2018. However, Shriganesh Textile refused to accept settlement and a non-starter report was issued by the District Legal Services Authority on January 17, 2023. Thereafter, on April 21, 2023, our Company filed a commercial suit no. O.S. 594 of 2023 before the Commercial Court at Bengaluru claiming *inter alia* recovery of ₹ 1,186.49 lakhs. The suit was disposed of by the Commercial Court by citing lack of jurisdiction on July 31, 2024 and thus, appeal has been filed in the High Court of Karnataka. The matter is currently pending. Further, on October 1, 2023, Shriganesh Textile filed a commercial suit no. 02 of 2023 before the Commercial Court in Dhule, claiming damages of ₹ 947.96 lakhs from our Company under the Commercial Courts Act, 2015 on the grounds of alleged irregularities by our Company in supplying material, raising invoices and making payment to Shriganesh Textile. Pursuant to an application filed under Order 7 Rule 11 of the Code of Civil Procedure on April 12, 2024, our Company has counter submitted that the plaint be rejected and returned since (i) the Commercial Court in Dhule does not have the jurisdiction to adjudicate the dispute given that Shriganesh Textile and the Company had already agreed for the exclusive jurisdiction of the Commercial Court at Bengaluru; and; (ii) the alleged dispute is not a commercial dispute under the Commercial Courts Act, 2015. The matter is

currently pending.

Criminal Litigation

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Civil Litigation

1. A recovery suit with index no. 655968/2023 was filed by Qingdao Canaan Home Fashion products Co. Ltd. ("**Plaintiff**") against our Subsidiary, Himatsingka America Inc. before the Supreme Court of the State of New York on November 30, 2023 for compensatory damages ₹1,456.33 lakhs for unjustly enriching through Plaintiff's sale and delivery of part goods without making payment to the Plaintiff for purchase orders between 2021 and 2022 and for breaching the vendor agreement by failing to take delivery and make payment for Plaintiff's rest of the goods. The matter is currently pending.

Criminal Litigation

Nil

Actions Taken by regulatory and statutory authorities

Nil

Litigation by our Subsidiaries

Civil Litigation

Nil

Criminal Litigation

Nil

Litigation involving our Promoters

Litigation against our Promoters

Criminal Litigation

1. A private complaint with P.C.R. No. 4918/2024 was filed by M/s EMIT Corporation (the "**Complainant**") against our Company, our Directors, Shrikant Himatsingka, Harminder Sahni, Sandhya Vasudevan, Shanmuga Sundaram Selvam, Dinesh Kumar Himatsingka, Shyam Powar, our President of Finance and Group Chief Financial Officer, Shankarnarayan and our Company Secretary, Sridhar Muthukrishnan (together, the "**Accused**") before the Court of the Additional Chief Metropolitan Magistrate, Bengaluru on April 10, 2024 alleging cheating and dishonesty and claiming imprisonment or fine along with interest and compensation or both under Sections 418, 420, 504 and 506 r/w 34 of IPC. In a criminal petition filed by the Accused against the State of Karnataka and the Complainant on August 20, 2024, the accused maintain that the dispute at hand arises out of a contract between the parties and thus is purely civil in nature, however, the Respondent has resorted to filing frivolous criminal complaints. The matter is currently pending. For further details, see "*Legal Proceedings – Litigation against our Company*" on page 477.

2. A criminal complaint no. CC 2927/2016 was filed by the inspector of factories ("Inspector") against Shrikant Himatsingka and the factory manager on May 5, 2016 before the Court of the Judicial Magistrate (First Class), Hassan, Karnataka ("Trial Court"), alleging non-compliance of Section 92 of the Factories Act, 1948 ("Factories Act") due to inadequate safeguards in a rotating part which allegedly led to serious injuries in the worker's left arm to upper limb. The matter is currently pending.

Civil Litigation

1. A special civil suit no. 433/2023 was filed by Vilas Subhash Deore (the "**Plaintiff**") against our Company, our Directors, Dinesh Kumar Himatsingka, Shrikant Himatsingka and our Executive Vice-President, Ganpati C.B. (together, the "**Defendants**") before the court of civil judge, senior division, Dhule on December 20, 2023, alleging malicious

prosecution and claiming damages of ₹ 2,000 lakhs being aggrieved by an FIR registered by the Company against the Plaintiff. The matter is currently pending. For further details, see "*Legal Proceedings – Litigation against our Company*" on page 477.

Actions Taken by regulatory and statutory authorities

Nil

Litigation by our Promoters

Criminal Litigation

Nil

Litigation involving our Directors

Litigation against our Directors

Civil Litigation

1. A special civil suit no. 433/2023 was filed by Vilas Subhash Deore (the "**Plaintiff**") against our Company, our Directors, Dinesh Kumar Himatsingka, Shrikant Himatsingka and our Executive Vice-President, Ganpati C.B. (together, the "**Defendants**") before the court of civil judge, senior division, Dhule on December 20, 2023, alleging malicious prosecution and claiming damages of ₹ 2,000 lakhs being aggrieved by an FIR registered by the Company against the Plaintiff. The matter is currently pending. For further details, see "*Legal Proceedings – Litigation against our Company*" on page 477.

Criminal Litigation

1. A private complaint with P.C.R. No. 4918/2024 was filed by M/s EMIT Corporation (the "**Complainant**") against our Company, our Directors, Shrikant Himatsingka, Harminder Sahni, Sandhya Vasudevan, Shanmuga Sundaram Selvam, Dinesh Kumar Himatsingka, Shyam Powar, our President of Finance and Group Chief Financial Officer, Shankarnarayan and our Company Secretary, Sridhar Muthukrishnan (together, the "**Accused**") before the Court of the Additional Chief Metropolitan Magistrate, Bengaluru on April 10, 2024 alleging cheating and dishonesty and claiming imprisonment or fine along with interest and compensation or both under Sections 418, 420, 504 and 506 r/w 34 of IPC. In a criminal petition filed by the Accused against the State of Karnataka and the Complainant on August 20, 2024, the accused maintain that the dispute at hand arises out of a contract between the parties and thus is purely civil in nature, however, the Respondent has resorted to filing frivolous criminal complaints. The matter is currently pending. For further details, see "*Legal Proceedings – Litigation against our Company*" on page 477.

2. A criminal complaint no. CC 2927/2016 was filed by the inspector of factories ("Inspector") against Shrikant Himatsingka and the factory manager on May 5, 2016 before the Court of the Judicial Magistrate (First Class), Hassan, Karnataka ("Trial Court"), alleging non-compliance of Section 92 of the Factories Act, 1948 ("Factories Act") due to inadequate safeguards in a rotating part which allegedly led to serious injuries in the worker's left arm to upper limb. The matter is currently pending.

Actions taken by regulatory and statutory authorities

Nil

Litigation by our Directors

Civil Litigation

Nil

Criminal Litigation

Nil

Tax Proceedings

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Subsidiaries, Directors and Promoters.

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Company		
Direct Tax	9	2,194.11

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Indirect Tax	4	2,040.69
Subsidiaries		
Direct Tax	Nil	NA
Indirect Tax	1	37.27

Tax claims above the Materiality Threshold against our Company

Direct tax

1. The assessing officer ("**AO**") of the Income Tax Department, on September 18, 2017, has issued an order and a notice of demand ("**Assessment Order**") under section 156 of the Income Tax Act, 1961, for an amount of ₹ 618.37 lakhs. Our Company had entered into certain international transactions in the assessment year 2013-2014 involving *inter alia* (i) an inter-corporate loan granted to Twill & Oxford LLC and Himatsingka America Inc; (ii) payment of share application money to Guiseppe Bellore S.P.A Italy; (iii) sale of power from our Company's captive power division to the textile division priced under the comparable controlled price method; and (iv) corporate guarantees provided to our associate entities outside India. The AO, pursuant to the Assessment Order (i) recomputed the interest on the inter-corporate loan at a higher interest rate; (ii) recharacterized the share application money as a loan, (iii) disregarded the sale of power under the comparable controlled price method; and (iv) computed a higher guarantee fee by included the guarantees that did not amount to an international transaction. Basis the Assessment Order, the AO recomputed the total income for the assessment year to be ₹ 3,949.68 lakhs and the total tax payable to be ₹ 595.89 lakhs. Our Company appealed the Assessment Order before the Commissioner of Income Tax ("**CIT**") on January 31, 2017, stating that the AO had adopted unreasonable parameters when arising at the arm's length interest rate, which had increased the total income of our Company. The CIT partly allowed the appeal ("**CIT Order**"), stating that the adjustments in relation to the corporate guarantee and share application money were not justified. However, the CIT Order upheld the Assessment Order that determined the arm's length nature of the sale of power. Our Company has appealed the CIT Order before the Income Tax Appellate Tribunal ("**ITAT**") on March 28, 2018, submitting that the CIT has incorrectly interpreted the law by disregarding our Company's internal comparable controlled price information and instead, conducting a fresh economic analysis for determining the arm's length price for the sale of power. The matter is currently pending.

2. The Office of the Assistant Commissioner of Income Tax ("**Commissioner**"), on January 29, 2024, has issued a notice of demand ("**Notice**") under section 156 of the Income Tax Act, 1961, for an amount of ₹ 1,035.30 lakhs. In the financial year 2019-2020, our Company had entered into international transactions involving inter-corporate loans, payment towards marketing support received from associated enterprise to the Company's textile division, sale of power and sale of steam, due to which, the arm's length pricing had to be determined. The IDT computed the Company's total income and undertook an upward adjustment of the arm's length price of the transactions. The Notice intimated our Company that penalty proceedings under Section 270A of the Act was being initiated against our Company for under reporting income. The matter is currently pending.

Indirect tax

1. The Principal Commissioner of Central Tax, Bengaluru ("**Principal Commissioner**") has passed an order confirming the demand of duty and imposing a penalty of ₹668.90 lakhs as per the Customs Valuation Rules, 1988. Our Company claims that the erstwhile export-oriented unit of our Company had used to make domestic tariff area ("**DTA**") clearances of fabrics to Himatsingka Wovens Private Limited after paying appropriate duties by adopting a transfer price as determined under Rule 7 of the Customs Valuation Rules, 1988. On scrutiny by the officers of the Customs Headquarters Preventive, Bengaluru, it was alleged that there was an evasion of payment of duty by undervaluing the fabrics and by not considering additional expenses pertaining to the cost of fabrics. Thereafter, six show cause notices dated April 20, 2009, October 18, 2010, August 16, 2013, August 30, 2013, April 22, 2014 and July 30, 2015 respectively and a statement of demand dated September 19, 2016 (collectively "**Show Cause Notices**") demanding a differential duty. On March 3, 2020, the Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**") passed an order ("**CESTAT Order**") remanding the case and directing the Commissioner to reconsider the submissions of our Company. Thereafter, the Principal Commissioner issued an order on June 21, 2022, confirming the demand and penalty as stated in the Show Cause Notices. Our Company filed an appeal in the CESTAT on September 29, 2022. However, on October 4, 2022, a defect memorandum was issued to our Company, stating that the mandatory deposit was not satisfactory and that there had been a delay in filing the appeal. On October 17, 2022, our Company filed a response indicating that there had been no delay in the filing the appeal. The matter is currently pending.

2. The Commissioner of Customs, Bengaluru ("**Commissioner**") has passed an order on November 30, 2022 in relation to the classification of imported textile sizing chemical ("**Imported Goods**") and confirmed the duty of ₹641.47 lakhs, that included a fine and penalty amount. It was alleged that our Company, that imports textile sizing chemicals, had misclassified the products and had paid customs duty at 7.5% rather than 20%. Our Company was issued a letter dated March 8, 2022, to intimate us of the discrepancy. Thereafter, the Commissioner confirmed the demand of differential duty of ₹240.73 lakhs, along with interest, a redemption fine of ₹160.00 lakhs and a penalty of ₹240.74 lakhs. The Commissioner also confiscated the imported goods. Our Company, on February 24, 2023, filed an appeal with the Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**"), arguing that the Imported Goods had not been misclassified and that the onus of proving that the Imported Goods had to be classified under a different heading was on the authorities. On March

20, 2023, the CESTAT communicated to us that the appeal would be heard in due course. The matter is currently pending.

Tax claims above the Materiality Threshold against our Subsidiaries

Nil

Direct tax

Nil

Indirect tax

Nil

Tax claims above the Materiality Threshold against our Promoters

Direct Tax

Nil

Litigations or legal action pending or taken against the Promoters taken by any ministry, department of the Government or any statutory authority in the last three years

As on the date of this Placement Document, there are no litigations or legal action pending or taken by any ministry, 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 the Promoters in the last three years.

Prosecutions filed against, fines imposed on, or compounding of offences by our Company and its Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last three years

As on the date of this Placement Document, there are no prosecutions filed against (whether pending or not), fines imposed on, or compounding of offences by our Company and its Subsidiaries under the Companies Act, 2013 in the last three years.

Details of acts of materials frauds committed against our Company in the last three years, and the action taken by our Company

As on the date of this Placement Document, there has been no acts of materials frauds committed against our Company in the last three years.

Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or Companies Act, 1956 against our Company and its Subsidiaries in the last three years

As on the date of this Placement Document, there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or Companies Act, 1956 against our Company and its Subsidiaries in the last three years.

Details of default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon

As on the date of this Placement Document, there are no defaults in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon.

Details of defaults in submitting the annual filings under the Companies Act, 2013 or Companies Act, 1956 or rules made thereunder

As on the date of this Placement Document, there are no defaults in submitting the annual filings under the Companies Act, 2013 or Companies Act, 1956 or rules made thereunder.

Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our 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 our Company and its future operations.

Disclosure on status of promoters or directors of the Company as fugitive economic offenders.

Neither of the Promoter nor any of the Directors have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis.

As on the date of this Placement Document, there are no outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis.

OUR STATUTORY AUDITOR

Our Company's current Statutory Auditor, M/s MSKA & Associates, Chartered Accountants are an independent auditor with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and have been appointed pursuant to our Shareholders' approval at the annual general meeting held on September 28, 2022, for a period of five years. M/s. B.S.R & Co., LLP Chartered Accountants, our previous statutory auditor, as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI, was appointed pursuant to our Shareholders' approval at the annual general meeting held on September 23, 2017, for a period of five years.

Our current Statutory Auditor has reviewed the Unaudited Consolidated Financial Results for the three month period ended June 30, 2024, and audited the consolidated financial statements for the Financial Years ended March 31, 2023 and March 31, 2024.

Our previous statutory auditor, M/s. B.S.R & Co., LLP Chartered Accountants, has reviewed the audited consolidated financial statement for March 31, 2022, included in this Placement Document.

As on the date of this Placement Document, our current Statutory Auditor, M/s MSKA & Associates, Chartered Accountants holds a valid peer review certificate.

GENERAL INFORMATION

1. The Company was incorporated as 'Himatsingka Seide Limited' in Bengaluru as a public limited company under the Companies Act, 1956, as amended, pursuant to the certificate of incorporation dated January 23, 1985. The Equity Shares of our Company were listed on NSE on February 8, 1995 and on the BSE on January 20, 1987. On May 17, 1985, our Company's address was changed from 55, Avenue Road, Bangalore –560 002, Karnataka, India to No. 173, Raj Mahal Vilas Extension, 8-B Main Road, Bangalore 560 080. On November 22, 1986, the registered office of our company was changed from No. 173, Raj Mahal Vilas Extension, 8-B Main Road, Bangalore 560 080 to 2/1, Mid Ford Gardens, Mahatma Gandhi Road, Bangalore 560 001, Karnataka, India, with effect from November 22, 1986. On May 5, 2006, the registered office of our Company was changed from 2/1, Mid Ford Gardens, Mahatma Gandhi Road, Bangalore 560 001, Karnataka, India to 10/24, Kumarakrupa Road, High Grounds, Bengaluru 560 001, Karnataka, India. On October 3, 2024, the registered office of our Company was changed from 10/24, Kumarakrupa Road, High Grounds, Bengaluru 560 001, Karnataka, India to 4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, India

2. Our Registered and Corporate Office is located at 4/1-2, Crescent Road, Bangalore, 560 001, Karnataka, India.

3. The CIN of our Company is L17112KA1985PLC006647.

4. The website of our Company is www.himatsingka.com.

5. The Issue was authorised and approved by our Board pursuant to a resolution dated January 25, 2024, and by the Shareholders of our Company pursuant to a special resolution passed through a postal ballot resolution dated March 1, 2024, the results of which were declared on March 4, 2024.

6. Our Company has received in-principle approvals under Regulation 28 of the SEBI Listing Regulations to list the Equity Shares on the BSE and NSE, each dated October 24, 2024. We will apply for final listing and trading approvals in respect of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

7. The authorised share capital of our Company is ₹ 75,00,00,000 which is divided into 15,00,00,000 Equity Shares of ₹5 each

8. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered and Corporate Office.

9. Our Company has obtained all consents, approvals and authorisations required in connection with the Issue.

10. Except a disclosed in this Placement Document, our Company confirms that it is in compliance with the minimum public shareholding requirements as provided under the SEBI Listing Regulations and Rule 19A of the SCRR.

11. There has been no material change in the financial or trading position of our Company since June 30, 2024, the date of the Unaudited Consolidated Financial Results prepared in accordance with applicable accounting standards included in this Placement Document, except as disclosed herein.

12. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 477.

13. The Floor Price is ₹ 154.31 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 5% amounting to ₹7.71 per Equity Share on the Floor Price in accordance with the special resolution of our Shareholders passed by way of a postal ballot dated March 1, 2024, the results of which were declared on March 4, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

14. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed Care Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the Net Proceeds in relation to this Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

15. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at their own risk.

16. Bindu D is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

Bindu D
4/1-2, Crescent Road, Bangalore, 560 001,
Karnataka, India.

Tel: +91 8042578000
E-mail: investors@himatsingka.com

PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^#
1.	JUPITER INDIA FUND	5.01
2.	THE JUPITER GLOBAL FUND-JUPITER INDIA SELECT	1.79
3.	Abakkus Emerging Opportunities Fund -1	4.07
4.	Cohesion MK Best Ideas Sub-trust	4.07
5.	LIC MF MID CAP FUND	0.19
6.	LIC MF DIVIDEND YIELD FUND	0.37
7.	LIC MF MANUFACTURING FUND	0.27
8.	LIC MF SMALL CAP FUND	0.43
9.	LIC MF VALUE FUND	0.21
10.	LIC MF CHILDREN'S FUND	0.01
11.	Brescon Opportunities Fund	0.54
12.	Societe Generale - ODI	0.68
13.	Cognizant Capital Dynamic Opportunities Fund	0.27
14.	BOFA Securities Europe SA - ODI	0.23
15.	M7 GLOBAL FUND PCC - ASAS GLOBAL OPPORTUNITIES FUND	0.11
16.	Saint Capital Fund	0.11
17.	Rajasthan Global Securities Private Limited	0.07
18.	Neomile Growth Fund - Series I	1.63
19.	Astorne Capital VCC - ARVEN	0.22
20.	ASHIKA GLOBAL SECURITIES PRIVATE LIMITED	0.27
21.	Abakkus Diversified Alpha Fund	1.46
22.	Abakkus Diversified Alpha Fund - 2	1.25

^ *Based on beneficiary position as on October 25, 2024 (adjusted for Equity Shares Allocated in the Issue).*

\# *The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID have been considered.*

Note: Subject to receipt of funds and allotment in the Issue.

DECLARATION

The 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 and that all approvals and permissions required to carry on the Company’s business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

____

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103
Date: October 29, 2024
Place: Bangalore

DECLARATION

We, the Board 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 thereunder 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 ON BEHALF OF THE BOARD OF DIRECTORS

____
Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103
Date: October 29, 2024
Place: Bangalore

I am authorized by the Board of the Company, vide its resolution dated October 24, 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 promoter 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:

FOR HIMATSINGKA SEIDE LIMITED

____
Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103
Date: October 29, 2024
Place: Bangalore

HIMATSINGKA SEIDE LIMITED

Registered and Corporate Office:

4/1-2, Crescent Road, Bangalore, 560 001,
Karnataka, India

Tel: +91 80425 78000
Email: investors@himatsingka.com | **Website**: www.himatsingka.com
CIN: L17112KA1985PLC006647

Contact Person:

Bindu D
Designation: Company Secretary and Compliance Officer
Tel: +91 8042578000
E-mail: investors@himatsingka.com
Address: 4/1-2, Crescent Road, Bangalore, 560 001,
Karnataka, India.

BOOK RUNNING LEAD MANAGERS

AXIS CAPITAL LIMITED
1st Floor, Axis House,
P.B. Marg,
Mumbai 400025
Maharashtra, India

SBI CAPITAL MARKETS LIMITED
1501, 15th floor, A & B Wing,
Parinee Crescenzo, G Block
Bandra Kurla Complex, Bandra (East),
Mumbai 400051,
Maharashtra, India

STATUTORY AUDITOR OF OUR COMPANY

M/s MSKA & Associates, Chartered Accountants
SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala,
Bengaluru 560095,
Karnataka, India

LEGAL COUNSEL TO THE COMPANY

As to Indian law

Cyril Amarchand Mangaldas
3rd floor, Prestige Falcon Towers, 19, Brunton Road, Off M.G. Road
Bengaluru 560 025, Karnataka, India.

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS AS TO INDIAN LAW

IndusLaw
15th Floor Tower-1C, One World Centre
Senapati Bapat Marg, Lower Parel
Mumbai 400 013, Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS WITH RESPECT TO SELLING AND TRANSFER RESTRICTIONS

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore – 049321

APPLICATION FORM

An indicative form of the Application Form is set forth below:

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Placement Document and the Application Form and not on the basis of the indicative format below.)

Himatsingka

Name of Bidder: __________________

Form No: ________________________

Date: ____________________________

HIMATSINGKA SEIDE LIMITED

(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)

CIN: L17112KA1985PLC006647; **Registered & Corporate Office**: No.4/1-2, Crescent Road, Bengaluru 560 001, Karnataka, India; **Telephone**: +91 80 4193 9000; **Contact Person**: Bindu D., Company Secretary and Compliance Officer; **Email**:investors@himatsingka.com; **Website**: www.himatsingka.com

LEI Code: 335800QS6H3JJAKAWA43 ; **ISIN:** INE049A01027

QUALIFIED INSTITUTIONS PLACEMENT OF 2,72,85,129 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH BY HIMATSINGKA SEIDE LIMITED (THE "COMPANY") (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ ₹146.60 PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹ 141.60 PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UP TO ₹ 39,999.99 LAKHS UNDER SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AND THE RULES MADE THEREUNDER, EACH 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 CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") (HEREINAFTER REFERRED TO AS THE "ISSUE").

THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹154.31 PER EQUITY SHARE AND OUR COMPANY HAS OFFERED A DISCOUNT NOT MORE THAN 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS 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) are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. However, foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws in the United States, and unless so registered, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. You understand that 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 you represent that you were outside the United States when the offer to purchase the Equity Shares was made to you and you are currently outside the United States and that you are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S). The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside 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 jurisdictions. You should note and observe the selling and transfer restrictions contained in the sections

entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated October 24, 2024 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES") 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
Himatsingka Seide Limited
4/1-2, Crescent Road, Bangalore, 560 001,
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, on 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 promoter 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 promoter 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 confirm that we are not an FVCI. 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.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Funds
MF	Mutual Funds	**NIF**	National Investment Fund
FPI	Eligible Foreign Portfolio Investors*		
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important NBFC
IC	Insurance Companies	**IF**	Insurance Funds
OTH	Others (Please Specify)		

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, 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 and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each Eligible FPIs, have submitted separate Application Forms, and asset management companies or custodians 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 Equity Shares to be Allotted under each such 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 Board of Directors of the Company, or any duly authorised committee thereof, is entitled, in consultation with Axis Capital Limited and SBI Capital Markets Limited (the "**Book Running Lead Managers**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**"), 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 this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The Bid Amount payable by us for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the 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, demand draft 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 Book Running Lead Managers; 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 we withdraw the Bid before Issue Closing Date, or if there is a cancellation of the Issue, 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 further understand, 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 Book Running Lead Managers; 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 Bengaluru (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 BSE Limited and National Stock Exchange of India 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. 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.

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 Book Running Lead Managers, each of whom is entitled to rely on, and is relying on, these representations, undertakings and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD and the Application Form and have read it in its entirety including in particular, the section titled "***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 Book Running Lead Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), 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 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 sole and absolute discretion of the Company, in consultation with the Book Running Lead Managers, 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 Book Running Lead Managers; (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 Book Running Lead Managers. 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) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. 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. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, 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 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 such Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" (as defined in, and in reliance on, Regulation S) complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.**

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/ PF**		**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 Book Running Lead Managers.*
***In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Book Running Lead Managers will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

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 the Bid Amount has been remitted for the Equity Shares applied for in the Issue, will be considered.**

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), October 29, 2024, being the Issue Closing Date	
Name of the Account	HIMATSINGKA SEIDE LIMITED-QIP ESCROW A/C
Name of the Bank	HDFC Bank Ltd
Address of the Branch of the Bank	Richmond Road, Bangalore
Account Type	Current Account
Account Number	57500001618601
IFSC	HDFC0000523
Tel No.	+91 022-30752914 / 28 / 29
E-mail	siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.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 Himatsingka Seide Limited – QIP Escrow Account. 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.

You are responsible for the accuracy of the bank account details mentioned below. You are aware that the successful processing of refunds, if any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Book Running Lead Managers 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	
LEI	
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 / certificate of registration for AIFs/VCF/ /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 and the Placement Document.
(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 Book Running Lead Managers.
(3) The duly filed Application Form along with all enclosures shall be submitted to the Book Running Lead Managers either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

This Application Form, the PPD sent to you and the Placement Document which will be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.