REF: HSL/SEC/2023/68

September 06, 2023

To	To
The Deputy Manager	The Manager
Department of Corporate Services	National Stock Exchange of India Ltd.
BSE Ltd.	Exchange Plaza, Plot No. C/1, G Block
PJ Towers, Dalal Street	Bandra-Kurla Complex, Bandra (E),
Mumbai -400001	Mumbai 400051
Scrip Code: 514043	**Symbol: HIMATSEIDE**

Dear Sir/Madam,

Sub: Annual Report 2023

Ref: Disclosure under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Annual Report of the Company for the financial year ended March 31, 2023.

This is for your information & records.

Thanking you,

Yours faithfully,

For Himatsingka Seide Limited

SRIDHAR M Digitally signed by SRIDHAR M Date: 2023.09.06 22:09:47 +05'30'

M. Sridhar
General Manager-Corporate Compliance
& Company Secretary

Himatsingka Seide Limited
Registered Office: 10/24 Kumara Krupa Road
High Grounds, Bangalore 560 001, India
T +91 80 2237 8000, F +91 80 4147 9384
E hslblr@himatsingka.com
CIN L17112KA1985PLC006647
www.himatsingka.com

Himatsingka

NEXT

ANNUAL REPORT 2023

We think
Next
to
Make
Better
Lives
Possible.

We think
Next
to
Make
Better
Lives
Possible.

Keeping the customer at the centre, Himatsingka leverages its integrated capabilities and capacities of global scale to anticipate industry trends, expand its product offering, create new demand and drive the Next.

Next products to widen and deepen our leadership in total home textiles.
Next innovations to grow our resource-positive portfolio, intensify our traceability technologies, and leverage shopfloor digitization.
Next partnerships to take our owned and licensed brands into more homes around the world.
Next markets to target every price point, age group, need, lifestyle and aesthetic preference.
Next commitment to fulfil our ESG promise.

Our Next mindset is embedded in our strategies, structures, processes and relationships. But perhaps most significantly, it is ingrained in our people. The Himatsingka team makes all our Nexts possible. With purpose and optimism, they follow The Himatsingka Way, and exemplify what it means to be inspired and excellent.

Himatsingka

Note: Forward-looking statements in this Annual Report should be read in conjunction with the following cautionary statements. Certain expectations and projections regarding future performance of the Company referenced in this Annual Report are forward-looking statements. These expectations and projections are based on currently available information along with the Company's operating plans and are subject to certain future events and uncertainties, that could cause actual results to differ materially from those that may be indicated in such statements.

Contents

OUR VISION

Redefining possibility and delivering distinction through the relentless pursuit of excellence.

OUR VALUES

- > Unity
- > Trust
- > Respect
- > Courage
- > Foresight
- > Agility
- > Quality

THE HIMATSINGKA WAY

At Himatsingka, courage and imagination go hand-in-hand in the perennial pursuit of perfection. Through meticulous planning and rigorous execution, we turn dreams into reality. We relish challenges and thrive in the face of all odds. With 'forward thinking', 'purposeful action' and 'unyielding integrity', we aim to be a force for positive change and value creation while delivering happiness to millions of customers across the world.

Digitized shopfloors to drive innovation, build agility, accelerate speed and enable the Next.


ElectroMech
KARL MAYER

08+
Global Brands

35+
Countries Served

04
Manufacturing Facilities

11K+
Associates

About Himatsingka

Himatsingka is a vertically integrated global textile major that designs, develops, manufactures and distributes a suite of textile products. With four manufacturing facilities, our installed capacities for Bedding Products, Bath Products and Cotton Yarn Products are amongst the largest in the world. Powered by a suite of licensed and owned brands, and strong private label portfolios, our distribution capabilities are deep and expansive.

We operate the world's largest Cotton Spinning Plant under one roof:
Capacity — 211,584 Spindles

We operate amongst the world's largest Integrated Sheeting Plants for producing Bedding Products:
Capacity — 61 MMPA (Million Meters per Annum)

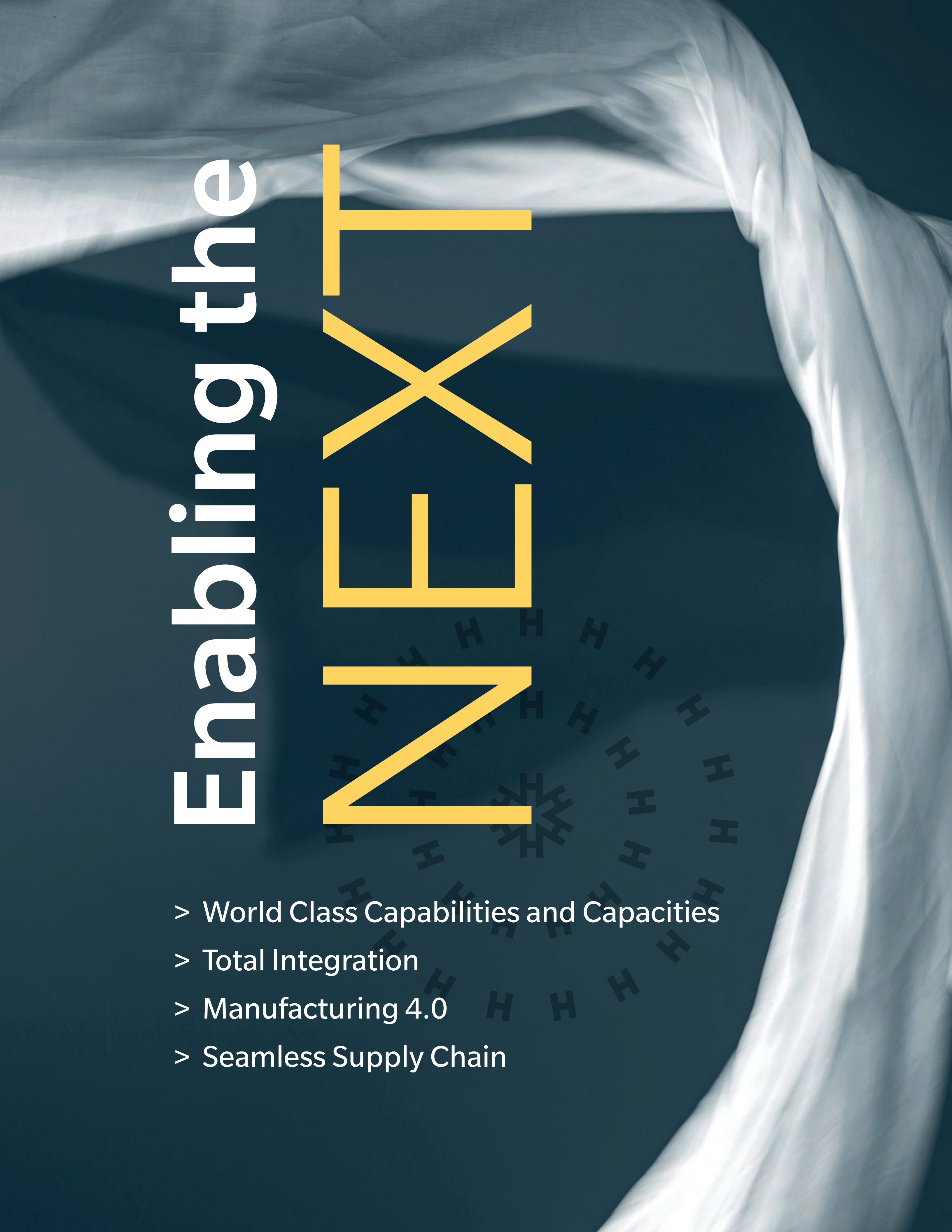
We operate amongst the world's largest Integrated Terry Towel Plants for producing Bath Products:
Capacity — 25,000 TPA (Tonnes per Annum)

We operate amongst the world's largest Integrated Plants for producing Drapery and Upholstery Fabrics
Capacity — 2 MMPA (Million Meters per Annum)

We have amongst the largest Brand Portfolios in the Home Textile space:
Over 8 Licensed and Owned Brands

We are global leaders in the Cotton Track and Trace Solutions space:
Patented DNA Technology for Cotton Traceability

We have a global team and a global presence:
11,000+ Associates servicing 35 countries



Enabling the NEXT

> World Class Capabilities and Capacities
> Total Integration
> Manufacturing 4.0
> Seamless Supply Chain

WORLD CLASS CAPABILITIES AND CAPACITIES

We operate amongst the largest home textiles capacities in the world. Our global scale, best-in-class shopfloors and industry leading agility provide us flexibility, versatility and accelerated efficiency. This empowers us to rapidly respond to the evolving needs of our global customer base.

TOTAL INTEGRATION

Being completely integrated from fiber to shelf enables us to be innovative, flexible and deliver high frequency product solutions. Investments in technologically advanced and scalable operations drive global retail strategies, anticipate consumer choices and stimulate new demand.

MANUFACTURING 4.0

Digital transformation at Himatsingka provides real time access to analytics for better decision making and optimum resource utilization. With technology powering all stages of our operations, we are continuously improving efficiencies, thinking about our next innovation and sustaining a high performance work culture.

SEAMLESS SUPPLY CHAIN

We continue to optimize our highly secure, closed loop cotton supply chain by focusing on digitizing sourcing, deploying next gen blockchain technologies, traceability solutions, artificial intelligence driven manufacturing and flexible warehousing capabilities.

NEXT

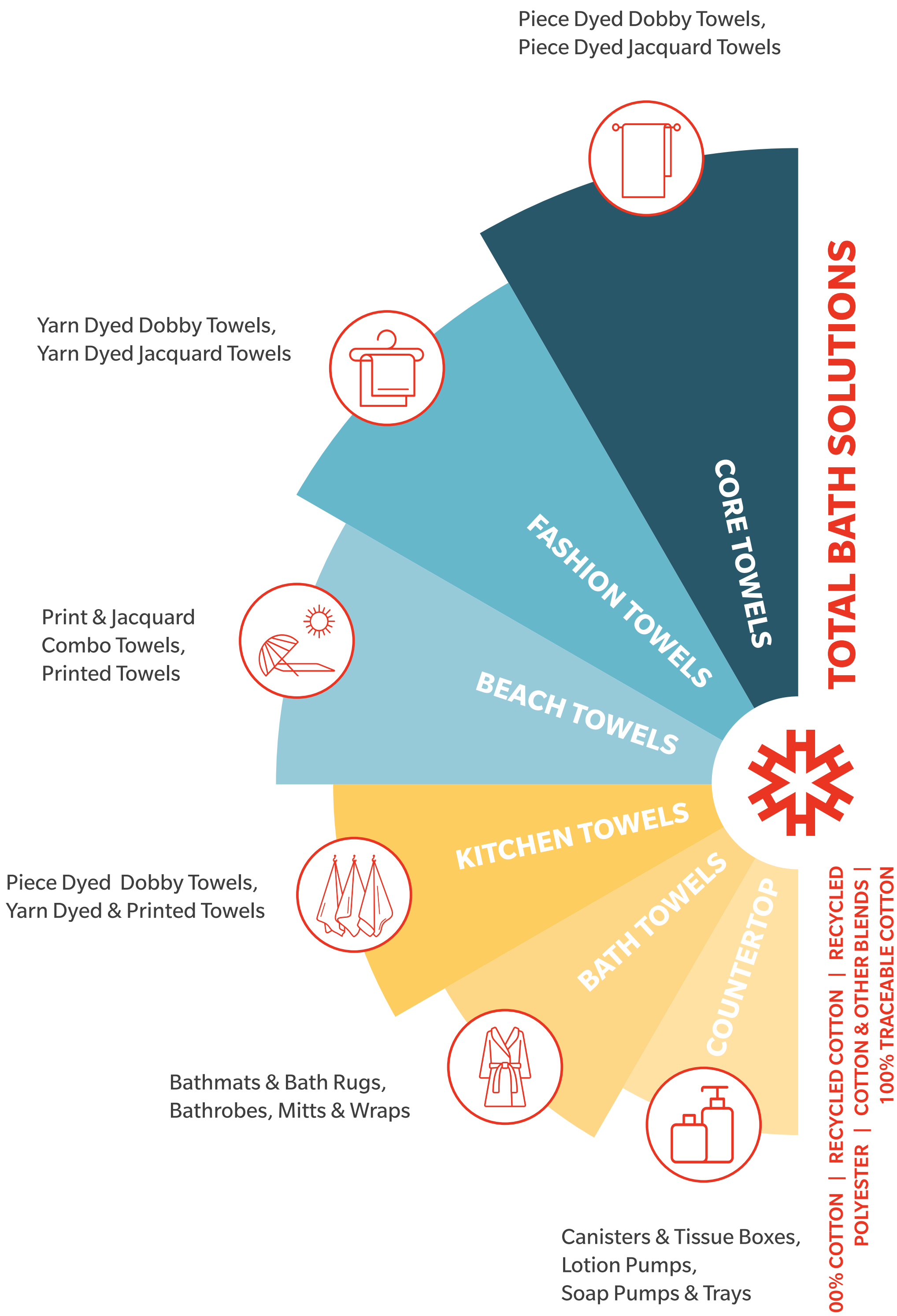
Products

> More Resource-Positive Products

> Total Solutions Across Bedding, Bath and Cotton Yarn

Himatsingka has a rapidly evolving portfolio of consciously made home textiles products that reflects our foresight and focus on sustainability, comfort and responsible living. 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.

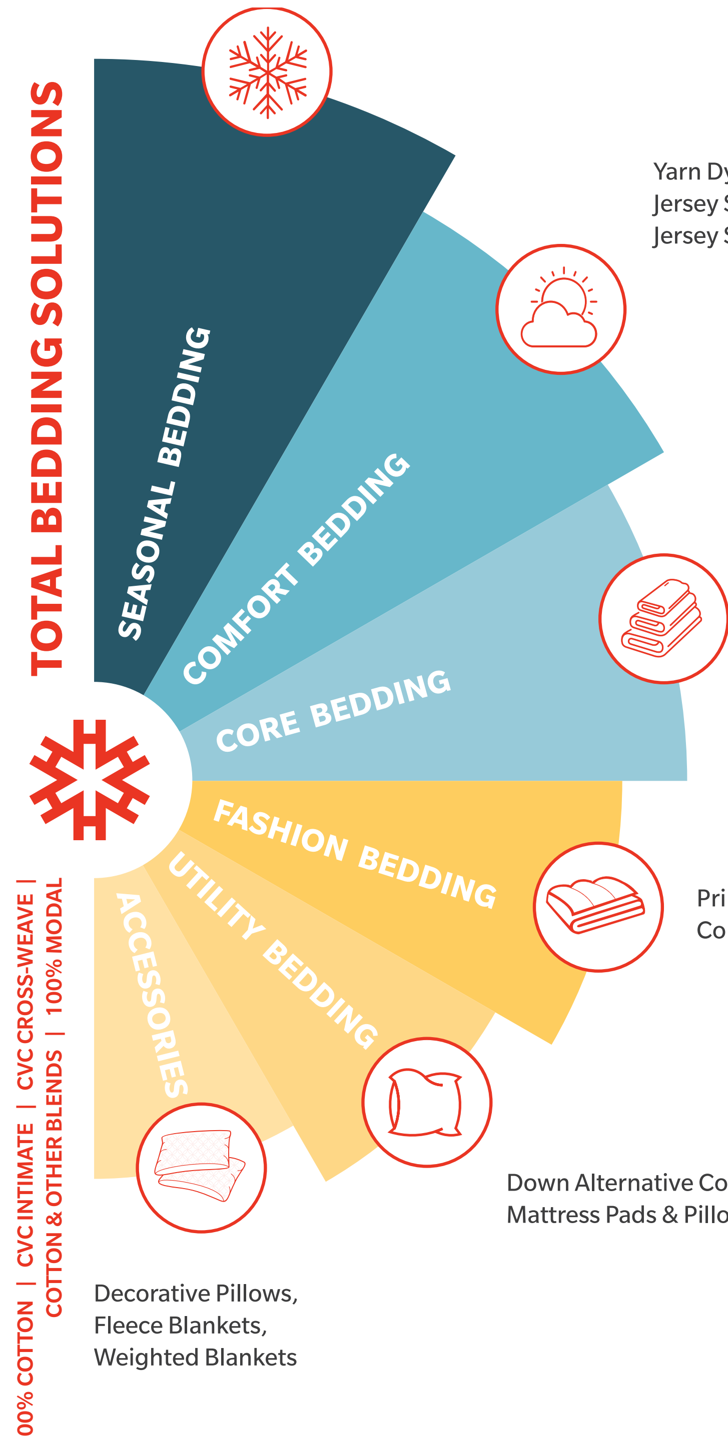
Anticipating heightened consumer demand for products that are beautiful, functional and made with care for the planet, we are looking to increase the use of organically farmed natural fibers, while also creating collections made from non-renewable sources.


Piece Dyed Dobby Towels,
Piece Dyed Jacquard Towels
Yarn Dyed Dobby Towels,
Yarn Dyed Jacquard Towels
Print & Jacquard
Combo Towels,
Printed Towels
Piece Dyed Dobby Towels,
Yarn Dyed & Printed Towels
Bathmats & Bath Rugs,
Bathrobes, Mitts & Wraps
Canisters & Tissue Boxes,
Lotion Pumps,
Soap Pumps & Trays
CORE TOWELS
FASHION TOWELS
BEACH TOWELS
KITCHEN TOWELS
BATH TOWELS
COUNTERTOP
TOTAL BATH SOLUTIONS
100% COTTON | RECYCLED COTTON | RECYCLED
POLYESTER | COTTON & OTHER BLENDS |
100% TRACEABLE COTTON

Himatsingka continues to garner market share by leveraging its integrated model, diverse brand portfolio and strong private label capabilities.

We are looking to increase the use of organically farmed natural fibers, while also creating collections made from non-renewable sources.

Yarn Dyed & Printed Flannel Sheets,
Solid Flannel Sheets



Yarn Dyed & Fiber Dyed
Jersey Sheets, Solid & Printed
Jersey Sheets

Dobby & Jacquard Sheets,
Solid Woven Sheets

Printed Sheets,
Comforters & Quilts

Down Alternative Comforters,
Mattress Pads & Pillows

Decorative Pillows,
Fleece Blankets,
Weighted Blankets

NEXT

Innovations

> Track and Trace Technology
> Providing Wholesome Value

Well before the industry recognized how important traceability solutions would become to consumers globally, Himatsingka began developing and using a licensed and patented DNA tagging technology, to prove the provenance and authenticity of our fibers. As leaders in the cotton track and trace space, we continue to provide our stakeholders with a robust, trusted and immutable method to record and share supply chain data.

We are bringing next-level innovation to our partners by rethinking product specifications, bettering the offering and adding value at every price. Innovation through product curation, packaging, supply chain enhancements and value-based customisation is enabling supply of better value products across geographies, catering to the needs and habits of consumers across the globe.

Our efforts are now directed towards widening and deepening our traceability coverage by extending traceability to all cotton varietals.

FROM OUR FARMS

Our tagged cotton is sustainably grown.

GIN

SigNature T Tagging
After harvesting, our cotton is misted with SigNature T DNA. This unique molecular tag guarantees the purity of our cotton at every stage of its journey.

BALE

SPINNING
The raw cotton fibers are spun into yarn, then tested for purity to ensure that our pure cotton hasn't been blended with lower quality cotton fibers.

WEAVING
The pure cotton yarn is woven into fabric, then tested again to ensure the fabric contains nothing but pure Pima cotton.

CUT AND SEW
The cotton fabric is cut and sewn into the final product, then tested for purity one last time.

STORE
Cotton products your family will enjoy. Purity, quality and softness for years to come.

TO YOU

100% trust for the consumer.

NEXT

Partnerships

> > Owned and Licensed Global Brands
> > Marquee Partnerships

We continue to consolidate our leadership in home textiles through a future-forward, well recognized, global brand portfolio and successful partnerships with leading international retail channels. Himatsingka enhances the lives of millions around the world, across age groups, needs, lifestyles and aesthetic preferences.

Our truly 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.

Himatsingka enhances the lives of millions around the world, across age groups, needs, lifestyles and aesthetic preferences.

CALVIN KLEIN
TOMMY HILFIGER
kate spade NEW YORK
Bellora SINCE 1883
Pimacott
organicott
Gizacott
HOMEGROWN COTTON PROUDLY GROWN IN THE USA
HIMEYA

NEXT

Markets

> Destination India

The Indian domestic market for home textiles has seen unprecedented growth in recent years, fueled by rapid urbanization, rising disposable incomes, and evolving lifestyles. Recognizing the significant opportunity to tap into this market, Himatsingka has been strategically preparing for the opportune moment to enter.

We are currently building the synergies required to make our foray with our brand, Himeya. Our strategy will be to make Himeya affordable and aspirational to every Indian household. We will target the discerning Indian customer and the mass market, across tier 1, 2, 3 and 4 cities. With Himeya, we hope to reach our consumers through dotcom, large format stores and multi-brand outlets.

NEXT

Commitment

> Delivering on our ESG Goals

Himatsingka is committed to being part of the incredibly important 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.

Commitment

Environment

Environmental protection is of great importance to us. We take every opportunity to be a more responsible and sustainable global enterprise.

FOCUS AREAS

No to Coal

0% by 2027

10% Biomass in use over the last year

75% Renewable Energy by 2025

Waste Saved & Repurposed

404 MT*

Water Recovery

99.6%

Reduced Annual Energy Footprint

10%

Reduced CO_2 Emissions

63,525 MT*

Carbon Neutral by 2030

* Metric Tonnes

SUSTAINABILITY GOALS

- Carbon Neutral by 2030
- 100% Renewable Energy by 2030 (75% by 2025)
- All Manufacturing Facilities to be ZWL-Certified by 2025
- Use of 100% Sustainable Cotton by 2025
- Operate Zero Liquid Discharge (ZLD) Water Management Plants Across Manufacturing Facilities

Commitment

Social

We strive to create a diverse, inclusive, respectful and trust-based workplace where everyone feels empowered to innovate and be entrepreneurial. Outside our facilities, we actively engage with local communities to support education, basic healthcare, infrastructure development and social welfare.

AT WORK

Himatsingka's work culture is collaborative, innovative and equitable. We ensure opportunities for growth and development across the organization, by continuously investing in training and upskilling our people through The Himatsingka Learning Academy and external learning avenues.

The health and safety of our people is always a priority. Annual health camps for workers and frequent health checks for those working in sensitive areas of manufacturing are carried out regularly. In 2023, we recorded industry leading statistics on health and safety with amongst the lowest total recordable injury and accident rates.

AROUND US

Targeting undeserved people in and around Hassan, we continue to support local communities through multi-dimensional and integrated development projects in education, health and livelihood enhancement. From solar powered classrooms to donating laptops, constructing bus shelters, installing water filtration plants, and providing the differently abled with electric scooters, we create opportunities for community members to embark on a path of sustainable growth, development and empowerment.

Broadening our reach into the area of healthcare, we are partnering with St. John's Medical College in Bangalore and contributing to the construction of a Centre for Care, Training and Research in Aging and Geriatrics. Himatsingka will be contributing ₹5 crores over a period of two years towards the project. In Jharkhand, we have enabled Deepshika Institute for Child Development and Mental Health, to establish a multisensory room for children with autism and sensory disabilities.

Commitment

Governance

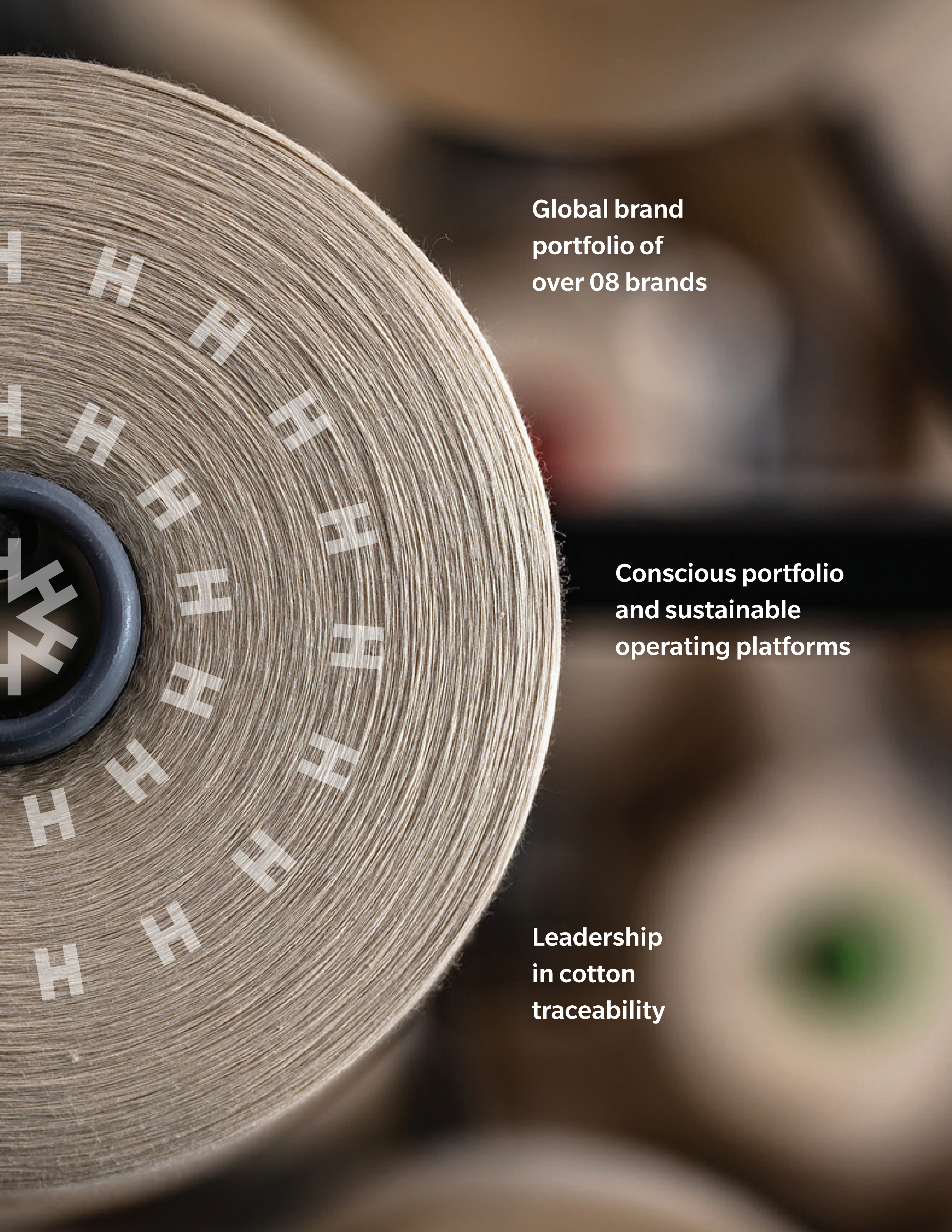
At Himatsingka, we exercise and maintain strong corporate governance practices and policies to strengthen Board and management accountability, as well as promote the long term interests of our shareholders.

Our dynamic, active and independent minded Board provides valuable inputs with respect to oversight of management, risk and overall strategic direction. We demand and deliver the highest standards of ethical conduct and compliance across all our businesses and facilities. Our industry leading training programs, as well as internal monitoring and auditing systems are equipped to provide our business with all the frameworks required to achieve our governance goals.

Collective strength of over 11,000 associates

Best-in-class consumer-centric products

Complete home textile solutions



Global brand portfolio of over 08 brands

Conscious portfolio and sustainable operating platforms

Leadership in cotton traceability

Performance Highlights

Business Highlights — FY 23

Expanded home textile solutions portfolio by introducing comfort bedding for Gen Z consumers

Reduced net debt in the backdrop of a challenging fiscal 2023

Enhanced e-commerce focus across key markets; added multiple channel partners during the year

Expanded green energy footprint as a % of the total consumed energy portfolio

Remained focused on consolidation initiatives as there were several operational, regulatory and market related challenges through the year

Continued to make progress on Environment and Sustainability Goals

Maintained leadership in Cotton Traceability Solutions

Strong addition of new clients during the second half to bolster total client base

Awarded 88 score on HIGGS Index for environmental impact, amongst the best in India

Key Focus Areas — FY 23

- Streamline working capital cycles
- Continue to enhance product, client and geography mix to broad-base revenue streams
- Focus on product innovation to align with dynamic consumer preferences
- Augment talent quotient across verticals
- Increase capacity utilization across manufacturing facilities
- Strengthen ESG initiatives that will enhance stakeholder value
- Continue to build e-commerce capabilities

Consolidated Financial Highlights — 5 Years

(₹ Lakhs)

	2018–19	2019–20	2020–21	2021–22	2022–23
Share Capital	4,923	4,923	4,923	4,923	4,923
Reserves	1,37,183	1,31,078	1,26,599	1,42,048	1,39,979
Net Worth	1,42,106	1,36,001	1,31,522	1,46,971	1,44,901
Total Gross Debt	2,79,033	2,96,275	2,59,315	2,92,170	2,80,603
Total Net Debt	2,42,243	2,73,851	2,44,870	2,73,565	2,68,324
Gross Fixed Assets	3,56,493	3,84,680	4,02,886	4,08,029	4,09,460
Net Fixed Assets	2,56,476	2,70,908	2,73,930	2,63,494	2,49,573
Total Assets	5,20,491	5,27,179	5,10,757	5,64,363	5,53,419
Total Revenue	2,65,426	2,41,965	2,27,252	3,20,357	2,75,276
EBITDA	57,993	47,931	30,316	54,992	34,604
Depreciation	10,877	12,621	15,245	15,842	16,403
EBIT	47,116	35,310	15,071	39,150	18,201
Interest and Finance Charges	16,312	19,472	17,720	18,117	25,723
Profit Before Tax, Before Exceptional Items	30,804	15,838	-2,649	21,033	-7,523
Exceptional Items	-	7,321	-	-	-
Profit Before Tax	30,804	8,517	-2,649	21,033	-7,523
Profit After Tax	19,684	1,325	-5,335	14,082	-6,408
No. of Equity Shares (In Lakhs)	984.57	984.57	984.57	984.57	984.57
Face Value Per Share (₹)	5.00	5.00	5.00	5.00	5.00
Book Value Per Share (₹)	144.33	138.13	133.58	149.27	147.17
Earnings Per Share (₹)	19.99	1.35	-5.42	14.30	-6.51
Dividend Per Share (₹)	5.00	0.50	0.50	0.50	-
Total Dividend (₹ Lakhs)	4,923	492	492	492	-

Letter to Shareholders + Corporate Information

Dear Shareholders,

Overview

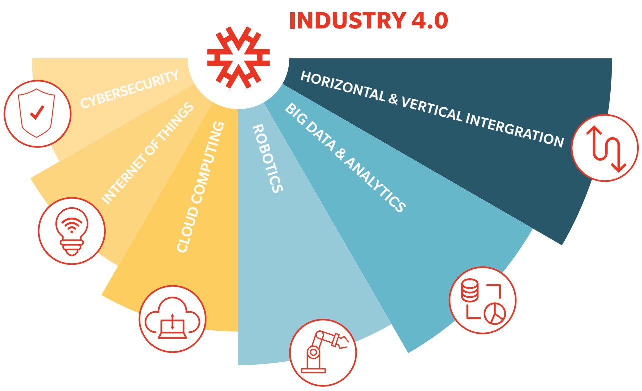
At the outset, FY23 has been a challenging year for the Company. Global macroeconomic challenges, sustained inflationary pressures and unprecedented demand volatility during H1 FY23 impacted our operating performance. The twin challenges of absorbing all-time high levels of cotton prices, along with deep cuts in demand are a first for both Himatsingka and the Home Textile Industry at large.

A sudden drop in demand during H1 FY23 was largely driven by inventory rationalization initiatives undertaken by global retail majors across markets. During H2, however, we began to witness gradual demand normalization, and easing out of raw material prices. Despite global geopolitical instability and softness in key economic indicators, we believe demand for home textile products will remain stable, going into FY24.

Himatsingka, is well positioned to capture a greater market share across product categories, channels and markets we operate in, owing to our robust integrated manufacturing platforms, strong intellectual property portfolio and an industry leading innovation pipeline.

Manufacturing Platforms

Himatsingka operates four integrated, best-in-class and global scale manufacturing plants across two campuses in the State of Karnataka, India. Equipped with amongst the largest capacities globally, they are capable of producing a broad assortment of products with industry-leading efficiencies, response times and compliance standards. They represent next generation, industry 4.0 manufacturing capabilities with zero-paper shopfloors, aided by strong digital platforms that have paved the way for smart manufacturing.



On the manufacturing front, FY 23 was a year of consolidation. Our focus was to enhance capacity utilization across facilities, and increasing our integration quotient. While H1 was impacted, H2 witnessed improved utilization levels across facilities. Our new integrated Terry Towel Plant commissioned in Q3 FY 20 has seen capacity utilizations grow at a robust pace, from levels of approximately 30% to 65%. This will strengthen Himatsingka's presence in the global home textile space, as we now offer a robust product assortment in our home textile solutions vertical.

Our Private Label and Brand Platforms

Himatsingka continues to garner market share by leveraging its integrated model, diverse brand portfolio and strong private label capabilities. We believe that our brand and private label capabilities will augment our client-facing product solutions to cater to a broad cross section of consumer audiences and price points across markets.

Our cotton brands portfolio comprising Pimacott®, Gizacott®, HomeGrown Cotton® and Organicott®, continues to cement its position in the traceable cotton space. Our industry leading, patent protected Track and Trace technology for cotton products helps us keep our global cotton supply chains transparent and secure. Our global fashion brands, comprising Calvin Klein, Tommy Hilfiger and Kate Spade New York continue to gain traction across the channels and footprints they operate in. We have significantly expanded our global client bases and continue to work on deepening relationships with retail majors across key markets.

Himatsingka's strengths in the private label space also continue to gain traction as we deepen our relationships with global retail majors and their private label platforms. Our suite of over 15 brands and strong private label portfolios, backed by advanced manufacturing platforms, will generate differentiated, solutions-based responses to the dynamic and everchanging macrocosm of consumer preferences.

Efforts to tap into new markets are an ongoing focus. Our presence in the Indian market has been marginal and we look at India as a major emerging opportunity in the years to come. We are in the advanced stages of putting together our strategy to address the emerging Indian market holistically. It is essential to ensure that we manufacture customized solutions for audiences across the country. Pricing, product preferences and promotional strategies, aided by optimal distributional capabilities, will drive our efforts to become a strong pan India player.

Himatsingka brings to consumers an unparalleled suite of brands and technology-led solutions that secure the transparency of the cotton value chain and fulfil the consumer's preference for authentic and traceable products.

Our Operating Scorecard

Our operating performance for FY 23 was impacted for various reasons outlined above, making it inconsistent and not comparable with earlier fiscal periods. Our performance for H1 FY 23 was particularly affected, but our performance in H2 saw significant improvement across parameters.

Consolidated total revenue for H1 FY 23 stood at ₹1318.70 crores, and for H2 FY 23 at ₹1434.06 crores. The consolidated EBITDA for H1 FY 23 stood at ₹104.70 crores, while for H2 FY 23, it stood at ₹241.34 crores.

During FY 23, total consolidated revenue reduced by 14.07% and stood at ₹2752.76 crores vs. ₹3203.57 crores in FY 22. The consolidated EBITDA for FY 23 stood at ₹346.04 crores vs. ₹549.92 crores in FY 22, a decrease of 37.07%. As highlighted earlier, the consolidated total revenue and EBITDA were adversely impacted owing to inventory rationalization initiatives undertaken by our global clientele and historically high levels of raw material and energy costs that prevailed during the first half of the fiscal.

Priorities for FY 23

Over the last four years, while adhering to the cornerstones of our values and vision, Himatsingka has been focused on:

- Backward integration
- Building scale
- Expanding capacity
- Extending market reach
- Broadening product assortment
- Expanding brand portfolio
- Driving innovation and
- Nurturing talent

These initiatives have led to the creation of sustainable and institutionalized platforms that are more prepared to stand the test of time.

We recognize that we need to sow the seeds of transformation from time to time, in order to recalibrate and reorient our operating models, to better align with increasingly dynamic realities. Having built the requisite platforms, we are now focused on maximizing asset and capacity utilization levels across our facilities.

Our home textile solutions vertical is powered by integrated manufacturing facilities that are amongst the largest in the world. They address clients across 32 countries and are designed to cater to multiple retail formats and channels. It is, therefore, imperative that we continue our efforts to expand and deepen our geographical presence, whilst adding new clients, in order to de-risk and broad-base global revenue streams.

Himatsingka has also been investing in creating flexible product portfolios where common infrastructure acts as an enabler for multi-product capabilities. This flexible plant design will help us stay relevant to our client preferences as they need to constantly recalibrate product assortments in a high-octane consumer environment.

Maximizing operating performance must be executed with the highest levels of Environmental and Social responsibility, coupled with a Governance framework that enables an organization to adhere to the interest of all stakeholders. Himatsingka is committed to making ESG central to its operating philosophy and has put in place initiatives that position it to lead the ESG journey in the future.

De-leveraging our balance sheet, while maximizing operating performance will be an important theme for FY 24 and beyond. While our consolidated net debt reduced by approximately ₹47 crores in FY 23, it will be our endeavor to continue to rationalize our debt exposure during FY 24. In tandem with capital structure optimization, we also aim to improve our capital efficiency ratios for FY 24.

As a dominant player in the global home textile space, constant innovation, building trust and being agile are essential to sustainable businesses and cementing our presence with a cross-section of stakeholders. While investing in infrastructure helps us achieve these attributes, they are essentially driven by the richness and diversity of our teams, globally.

With over 11,000 associates, we continue to invest in intellectual capital that will lead our journey and embody the Himatsingka Way, where courage and imagination go hand-in-hand, in the perennial pursuit of perfection.

The Road Ahead

We have a lot to do in order to harness the full potential of the various assets that are a part of our global asset portfolio. We are committed to maximizing returns from these investments, and endeavor to embrace growth opportunities that will help us to consolidate/adapt to an increasingly unpredictable and disruptive global environment.

We believe our initiatives to build scale-oriented manufacturing and distribution platforms position us to tap into larger opportunities that will help us sustain growth rates, going forward. Himatsingka's operating know-how in the textile space spans the entire value chain, from source to shelf. We will leverage this to identify growth opportunities that fit our strategy, are in sync with our values, and give us the growth trajectory that we require.

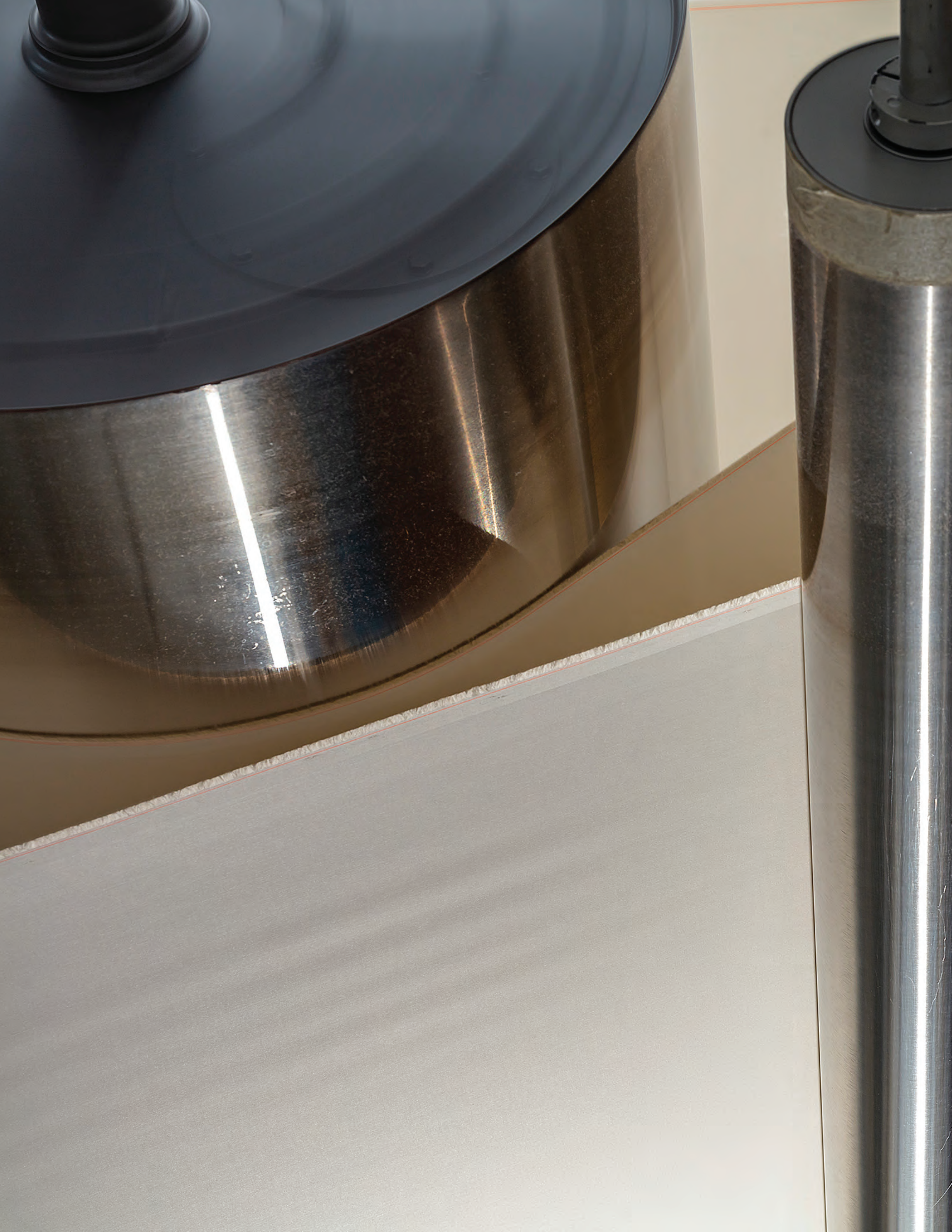
Our Gratitude to Stakeholders

All our efforts are incomplete without the support and trust of our shareholders, employees, bankers, clients, suppliers, the Board and other stakeholders. We would like to take this opportunity to express our sincere gratitude for their support and belief in Himatsingka.

Sincerely,

Shrikant Himatsingka
Executive Vice Chairman
& Managing Director

Dinesh Himatsingka
Executive Chairman



Corporate Information

Board of Directors

D.K. Himatsingka
Executive Chairman

Shrikant Himatsingka
Executive Vice Chairman & Managing Director

S. Shanmuga Sundaram
Executive Director

Harminder Sahni
Independent Director

Sandhya Vasudevan
Independent Director

Shyam Powar
Independent Director

Management Team

Akanksha Himatsingka
CEO - International Operations (Home Textiles)

M. Sankaranarayanan
President - Finance & Group CFO

Major (Retd) Kumud Kumar
President - HR & Group CHRO

Manu Kapur
President- Business Development (Group)

Brian Delp
President - Sales & Global Licensing (North America)

C.B. Ganapathy
President – Corporate Affairs & Group General Counsel

Key Bankers

Axis Bank Ltd
Bank of Bahrain & Kuwait B.S.C.
Bank of India
Bank of Maharashtra
Canara Bank
DCB Bank
Export Import Bank of India
HDFC Bank Ltd
IDBI Bank
IndusInd Bank Ltd
International Finance Corporation
Karur Vysya Bank
Kotak Mahindra Bank Ltd
State Bank of India
Yes Bank Ltd

Statutory Auditors

MSKA & Associates (BDO Group)

Internal Auditors

Grant Thornton India LLP

Registered Office

10/24, Kumara Krupa Road
High Grounds
Bengaluru - 560001

Works

Doddaballapur, Karnataka
23A KIADB Industrial Area
Doddaballapur - 561203
Karnataka, India

Hassan, Karnataka
Plot No 1, KIADB Industrial Area
Hassan - 573201
Karnataka, India

Management Discussion & Analysis

Management Discussion & Analysis

GLOBAL ECONOMIC OVERVIEW

The world has been witnessing a series of business disruptions arising from the pandemic. During the pandemic, there were lockdowns leading to business interruptions, supply chain disruptions etc. The geo- political situation brought down by the Ukraine war led to high uncertainty in global economy on account of supply chain disruptions for commodity supplies and led to high inflation. The big global economies which attempted to increase demand by expanding their balance sheets were suddenly faced with increased demand coupled with high inflation. This led to sudden tightening of liquidity by increasing interest rates and shrinking central banks' balance sheet. However, the inflation continued its journey until first half of FY 2023 and started to ease in the second half of FY 2023. All these led a highly volatile environment with fears of recession in developed economies.

The baseline forecast for global output growth, estimated at 3.4 % in CY 2022, fell to 2.8 % in CY 2023, 0.1 % point lower than predicted, before rising to 3.0 % in CY 2024. This forecast for the coming years is well below what was expected before the onset of the adverse shocks since early 2022. For advanced economies, growth is projected to decline by half in CY 2023 to 1.3 %, before rising to 1.4 % in 2024. About 90 % of advanced economies are projected to see a decline in growth in CY 2023. With the sharp slowdown, advanced economies may witness higher unemployment levels. For emerging markets and developing economies, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions. On average, growth is expected to be 3.9 % in 2023 and to rise to 4.2 % in 2024.

Inflation is expected to decline from 8.7 % in 2022 to 7.0 % in 2023. Disinflation is expected in all major country groups, with about 76 % of economies expected to experience lower headline inflation in CY 2023. The projected disinflation reflects declining fuel and nonfuel commodity prices as well as the expected cooling effects of monetary tightening on economic activity. Overall, returning inflation to target is expected to take until 2025 in most cases.

Table 1: World Economic Growth — Projections

Percentage Change (%)	2020	2021	2022 (P)	2023 (P)	2024 (P)
World Output	(3.1)	6.1	3.4	2.8	3.0
Advanced Economies	**(4.5)**	**5.2**	**2.7**	**1.3**	**1.4**
United States	(3.4)	5.7	2.1	1.6	11.1
Euro Area	(6.3)	5.4	3.5	0.8	1.4
- Germany	(4.6)	2.9	1.8	(0.1)	1.1
- France	(7.9)	6.8	2.6	0.7	1.3
- Italy	(9.0)	6.6	3.7	0.7	0.8
- Spain	(10.8)	5.1	5.5	1.5	2.0
Japan	(4.5)	1.7	1.1	1.3	1.0
United Kingdom	(9.3)	7.4	4.0	(0.3)	1.0
Canada	(5.2)	4.5	3.4	1.5	1.5
Other Advanced Economies	(1.8)	5.1	2.6	1.8	2.2
Emerging Markets & Developing Economies	**(2.0)**	**6.8**	**4.0**	**3.9**	**4.2**
Emerging and Developing Asia	(0.8)	7.3	4.4	5.3	5.1
- China	(2.2)	8.1	3.0	5.2	4.5
- India	(6.6)	8.7	6.8	5.9	6.3
Emerging and Developing Europe	(1.8)	6.7	0.8	1.2	2.5
- Russia	(2.7)	4.7	(2.1)	0.7	1.3
Latin America and the Caribbean	(6.9)	6.9	4.0	1.6	2.2
- Brazil	(3.9)	4.6	2.9	0.9	1.5
- Mexico	(8.1)	4.8	3.1	1.8	1.6
Middle East and Central Asia	(2.9)	5.8	5.3	2.9	3.5
- Saudi Arabia	(4.1)	3.2	8.7	3.1	3.1
Sub-Saharan Africa	(1.6)	4.6	3.9	3.6	4.2
- Nigeria	(1.8)	3.6	3.3	3.2	3.0
- South Africa	(6.3)	4.9	2.0	0.1	1.8

(Source: IMF-World Economic Outlook, July 2022) P=Projection

Global trade reached a record US$ 32 trillion in 2022. Trade in goods was about US$ 25 trillion (an increase of about 10% from 2021) and trade in services totalled about US$ 7 trillion (an increase of about 15% from 2021). Those record levels are largely due to robust growth in the first half of 2022. In Q4 CY 2022, trade in goods declined by about US$ 250 billion relative to Q3 2022. Trade in services remained virtually constant. The UNCTAD nowcast for Q1 2023 indicates global trade in goods to increase by about 1%, while trade in services is expected to increase by about 3% on the same basis.

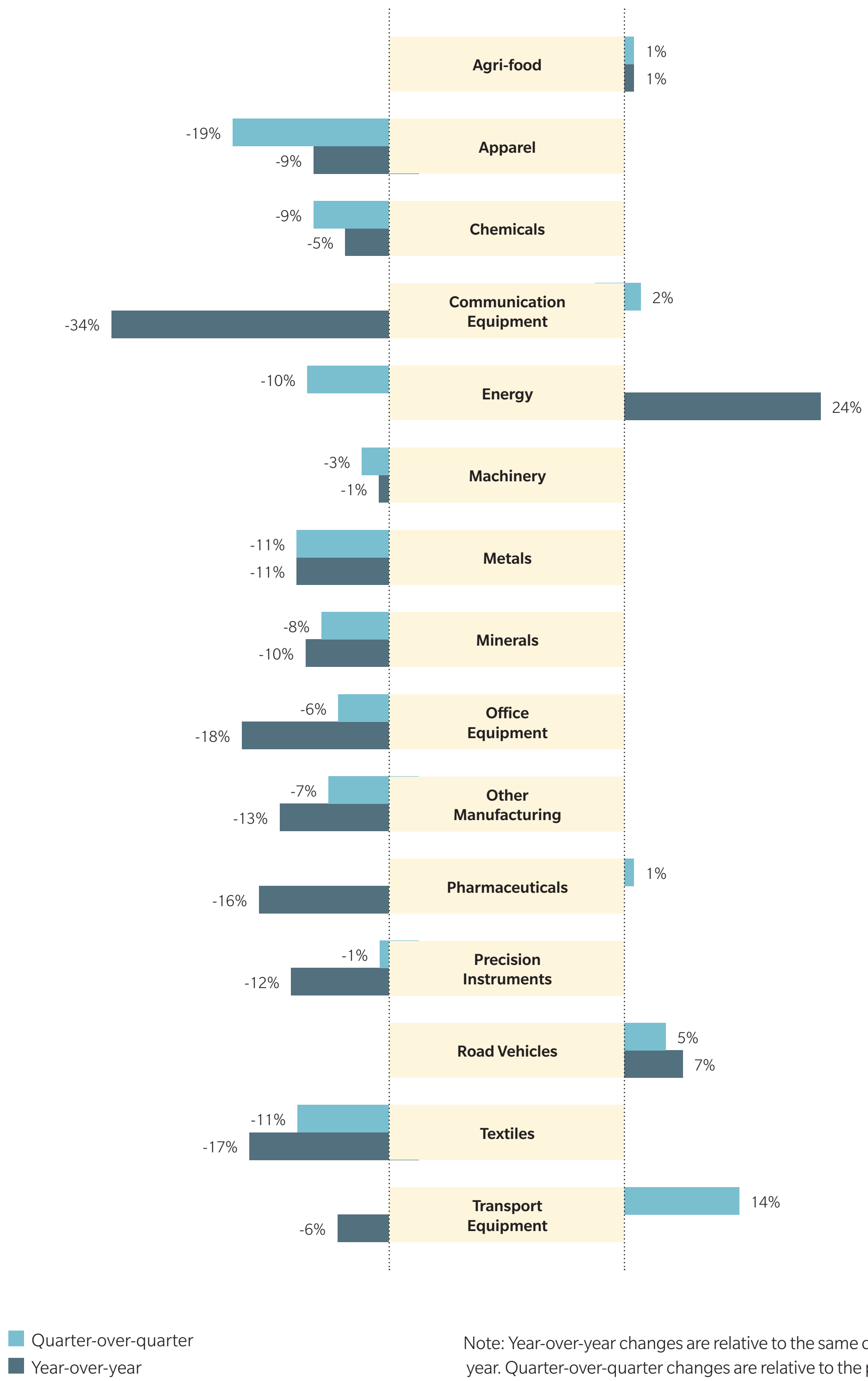
Despite rising geopolitical tensions, global trade has proven to be remarkably resilient during 2022. However, deteriorating economic conditions, the lifting of zero-COVID policies, and renewed concerns about inflationary pressures resulted in a significant trade slowdown during Q4 CY 2022. While the economic outlook has improved, global trade growth is expected to remain subdued in CY 2023, with the possibility of a pickup in the second half of the year. Overall, although the outlook for global trade remains uncertain, positive factors are expected to compensate for negative trends.

Figure 1: World Trade
Global trade trends: Growth remains weak, but trade in services show some resilience

(Source: Global Trade Update, Mar, 2023, UNCTAD)

GLOBAL TRADE TRENDS AT THE SECTORAL LEVEL IN Q4 2022

The trade decline of Q4 2022 affected most sectors, but with some exceptions. Trade in the transport and road vehicles sectors saw substantial increases, while trade remained constant for agri-food, pharmaceuticals, and communication equipment. In comparison with Q4 2021, the value of trade in Q4 2022 was lower for most sectors, but substantially higher in the energy sector.

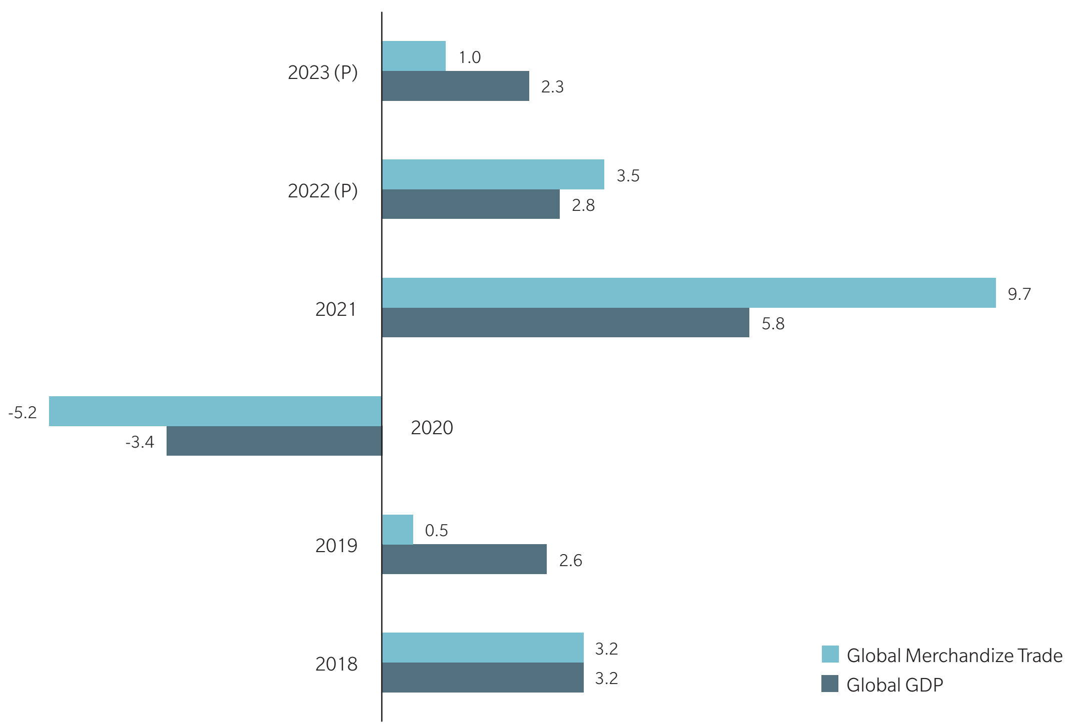


Note: Year-over-year changes are relative to the same quarter of previous year. Quarter-over-quarter changes are relative to the previous quarter

The world trade lost momentum in second half of 2022 and is expected to remain subdued in 2023 as multiple shocks weigh on the global economy. World merchandise trade volume is expected to grow 3.5% in 2022 before slowing to 1.0% in 2023 (revised down from 3.4%). World GDP at market exchange rates will increase by 2.8% in 2022 and by 2.3% in 2023 (revised down from 3.2%).

Risks to the forecast are numerous and inter-related. Major central banks have raised interest rates in a bid to tame inflation but overshooting on tightening could trigger recessions in some countries, which would weigh on imports. Alternatively, central banks might not do enough to bring inflation down, possibly necessitating stronger interventions in the future. High interest rates in advanced economies could trigger capital flight from emerging economies, unsettling global financial flows. Escalation of the Ukraine war could also undermine business and consumer confidence and destabilize the global economy. An underappreciated risk would be the decoupling of major economies from global supply chains. This would exacerbate supply shortages in the near term and reduce productivity over the longer term.

Figure 2: Growth in World GDP & Merchandize Trade (In Volume), 2018 –2023 (P)



(Source: WTO and IMF)

P=Projection

INDIAN ECONOMY OVERVIEW

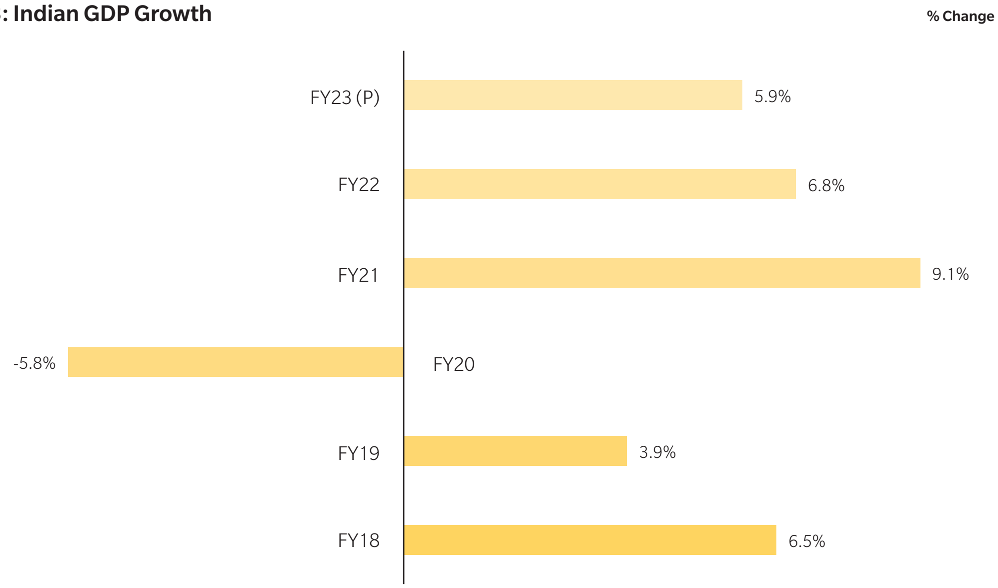
The Indian economy closed March 2023 with 7.2% growth in real Gross Domestic Product (GDP) amid a challenging global macroeconomic environment, but will slow to 6.1% next fiscal year. With all major sectors now above pre-pandemic levels, the recovery from the pandemic shock has been fairly broad-based. But that may be tested again in a scenario of slowing global growth and tighter domestic financial conditions.

For the coming fiscal, we expect India's real GDP growth to taper to 6.0%, for the following reasons: The challenges have shifted — from the pandemic to the fallouts of the Ukraine war and aggressive rate hikes by major central banks to fight inflation. Policy rates are at decadal highs across the advanced world. Slowing global growth will put the brakes on India's exports.

However, Inflation remains the 'swing factor'. After a sharp rise to 6.8% in the first 10 months of this fiscal year, it is expected to moderate to 5% next year, driven by lower global commodity prices, expectation of softer food prices, demand slowdown and easing core inflation.

As the Indian economy battled the four Cs — Covid-19, conflict (geopolitical), climate change, and central bank actions — it has shown a fair degree of resilience, particularly in the absence of a direct, large fiscal push to consumption. The growth pattern, though, highlights two key features. First, the economy has recovered faster in nominal terms than in real terms (because of high inflation). Second, official data revisions released in February 2023 reveal that the economy was more resilient than estimated earlier.

Figure 3: Indian GDP Growth

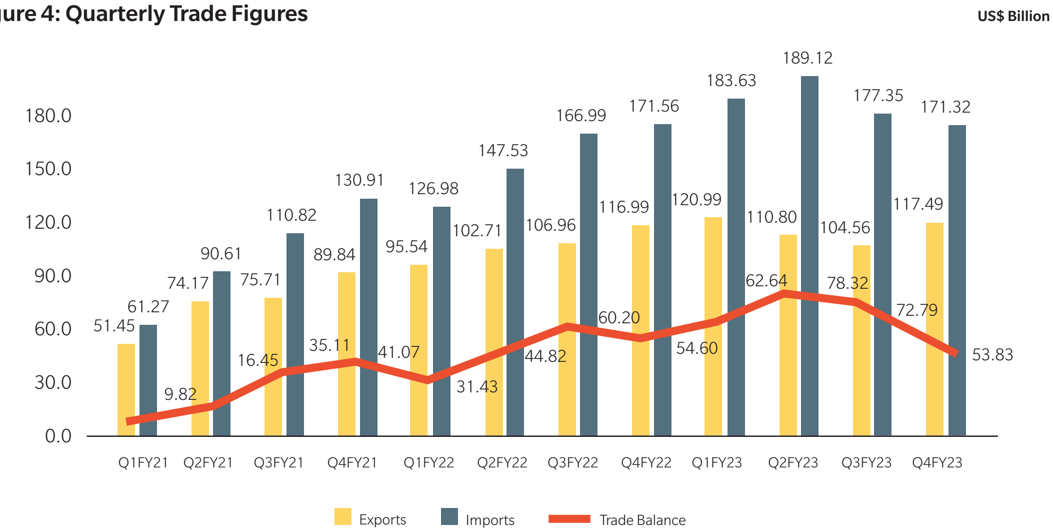


(Source: IMF)

P=Projection

On the merchandize trade front, India's total merchandize exports during FY 2022–23 increased by 7.6% and stood at US$ 453.9 billion compared to US$ 422.0 billion in FY 2021–22. Major export destinations during 2022–23 were the United States of America with a 17.4% share of total exports, followed by the United Arab Emirates with a share of 7.02%. Total merchandise imports during fiscal 2023 stood at US$ 721.4 billion, an increase of 17.7% from US$ 613.1 billion in fiscal 2022. Due to higher growth in imports compared to exports, trade deficit increased 40.1% from 191.0 billion to 267.6 billion in FY23.

Figure 4: Quarterly Trade Figures

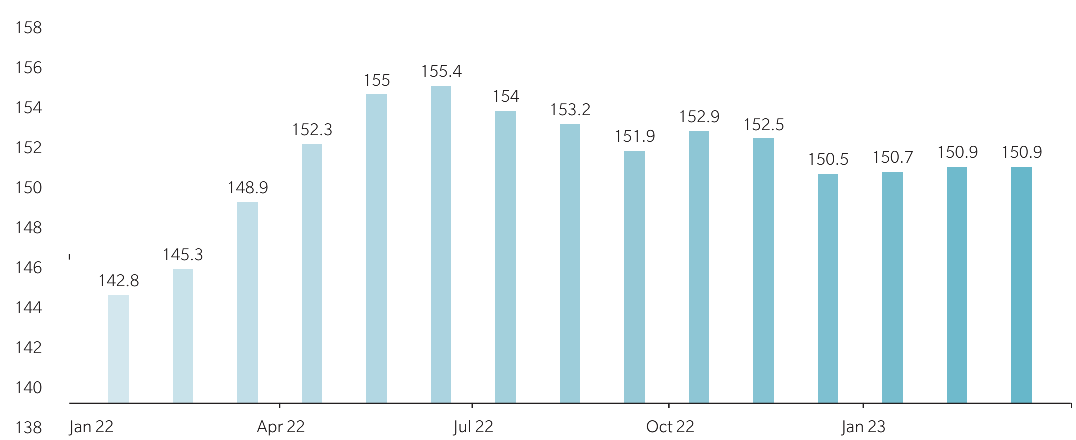


(Source: Ministry of Commerce and Industry Department of Commerce)

Inflation

FY23 witnessed an increase in inflation in the first half year and across commodities. The increase in prices started to ease out from Q3 of FY 2023. The Wholesale Price Index (WPI) inflation index increased to 150.9 in March 2023 compared to 148.9 in March 2022. The increase in inflation was due to high commodity prices and input costs, global supply chain disruptions and container shortages and congestion in ports. Persistently elevated and sticky inflation has emerged as a key concern not only in India but globally. As per IMF, global inflation in FY 2023 is projected at 7.0% with 70% chance that headline inflation could be about 1.2% higher or lower than currently projected.

Figure 5: Wholesale Price Index — India



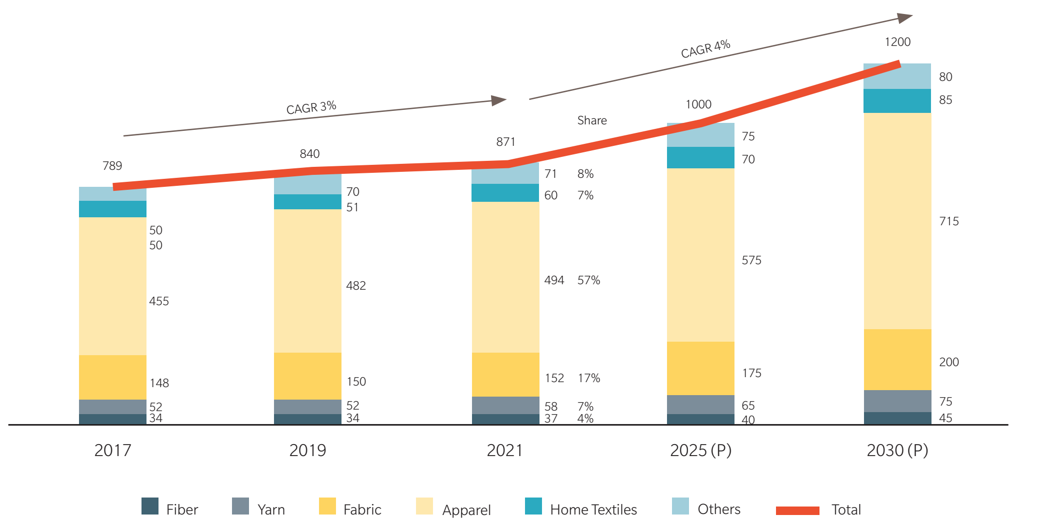
(Source: Department For Promotion Of Industry And Internal Trade, India)

GLOBAL TEXTILE INDUSTRY

In 2021, the global textile and apparel trade was US$ 871 billion, having grown at ~ 3% CAGR since 2017. It is expected to reach US$ 1.2 trillion by 2030, growing at a CAGR of 4%. Apparel was the largest traded category in 2021 with a 57% share, followed by fabrics, with a share of 17%. The global apparel market shrunk from US$ 1.6 trillion in 2019 to US$ 1.3 trillion in 2020 due to COVID-19. Since then, the market has grown consistently and in 2022, it reached US$ 1.7 trillion. The market is expected to cross US$ 2.3 trillion by 2030, growing at a CAGR of 4% from 2022.

Figure 6: Global Textile & Apparel Trade

US$ Billion



(Source: Wazir Advisors)

P=Projection

China was the largest exporter in 2021 with a global trade share of ~ 37% followed by Bangladesh with a share of ~ 5%. India was the 2nd largest textile exporter in 2021with US$ 26.3 billion in textile exports.

Table 2: Largest Exporters of Textile & Apparel (2021)

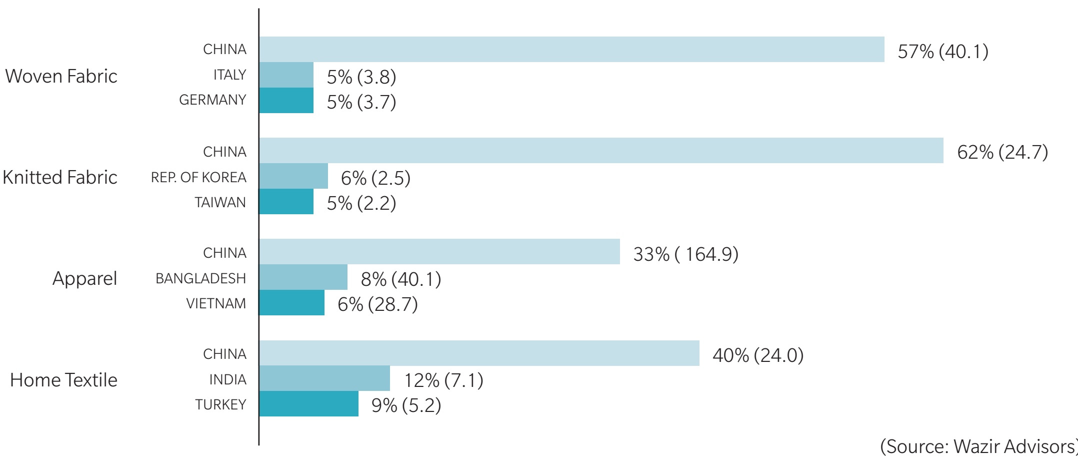
US$ Billion

Rank	Country	Exports (2021)			Share (%)
		Textile	Apparel	Total	
1	China	153.5	164.9	**318.3**	37%
2	Bangladesh	2.4	40.1	**42.5**	5%
3	India	26.3	15.2	**41.5**	5%
4	Germany	15.1	25.2	**40.3**	5%
5	Vietnam	9.1	28.7	**37.8**	4%
6	Italy	12.3	24.7	**36.9**	4%
7	Turkey	15.8	18.3	**34.1**	4%
8	USA	20.4	5.2	**25.5**	3%
9	Spain	5.3	15.4	**20.7**	2%
10	Netherlands	6.1	13.8	**19.9**	2%
	RoW	110.9	142.2	**253.0**	29%
	Total	**377.0**	**493.6**	**870.6**	

(Source: Wazir Advisors)

China was the leading exporter of fabrics (both knitted and woven), apparel and home textiles in 2021. In the apparel category, China was the leading exporter, with Bangladesh and Vietnam in the 2nd and 3rd spots, respectively.

Figure 7: Category-wise Leading Exporters (2021)

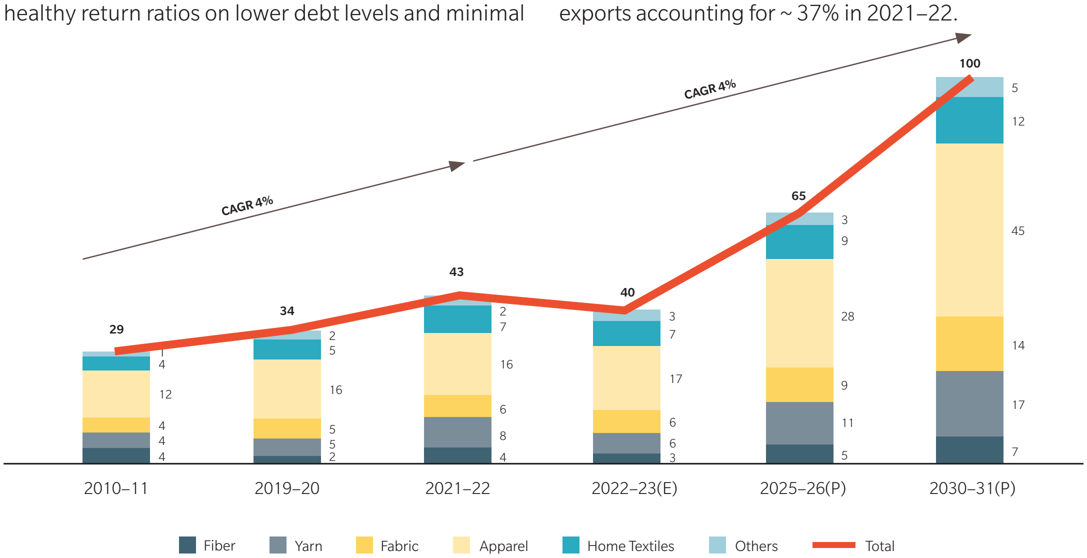


(Source: Wazir Advisors)

Indian Textile Industry

The textile sector faced the perfect storm in CY 2022 given: i) demand slowdown in export markets due to high inflation, ii) supply chain disruptions during the COVID-led lockdowns which affected inventory levels, and iii) record high commodity costs which severely hit margins. After navigating these unpleasant events, the sector is seeing signs of a revival. The commentary from textile companies has been positive as they expect: i) a sequential improvement in demand due to normalized inventory levels at the retailers' end, ii) correction in cotton prices and freight costs (amid the cool-off in inflation) and better utlilization to boost EBITDA margin, and iii) healthy return ratios on lower debt levels and minimal capex requirements (as most players have expanded capacities over the last two years).

Indian textile and apparel market size is estimated to be US$ 165 billion. in 2022–23. Domestic market contributes ~76% to the market size while exports have a share of rest 24%. Within the domestic market, apparel accounts for ~74% share followed by technical textiles with a share of 20%. India's T&A exports have grown with a CAGR of 4% since 2010-11 to reach US$ 43 billion. The exports are expected to grow at a CAGR of 10% from 2021-22 to reach US$ 100 billion. in 2030–31. Apparel forms the largest share of the exports accounting for ~ 37% in 2021–22.



(Source: Wazir Advisors)

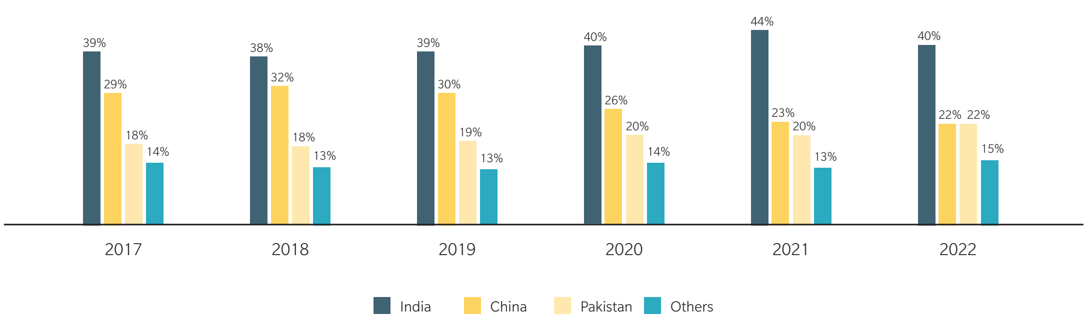
US$ Billion

US Imports of Home Textile Products

For Himatsingka, the US continues to be the largest market. The total US imports for cotton bedding and bath products stood at US$ 4.5 billion during 2022. This was 8.8% higher than the total imports for such products in 2020.

The United States continues to dominate the global market for soft home products. The chart below demonstrates the percentage share of United States imports of Cotton Sheets, Pillow Cases, Bedspreads, Quilts and Terry Towels that India, China, Pakistan and the rest of the world enjoy. India's dominance continued in 2022 followed by China and Pakistan. India's share in total imports of these products in 2022 was 40%. China's share continued to fall even in 2022 with companies in the US sourcing from countries other than China. India's market share in cotton sheet imports by the US has been inching up and stood at 58% in Feb 23. In terry towels, its share stood at 47%. The country has been consistently gaining market share in the last five months. The ban on cotton products from Xinjiang has been effective as US customs have been quite stringent in enforcing the ban. This has boosted India's market share.

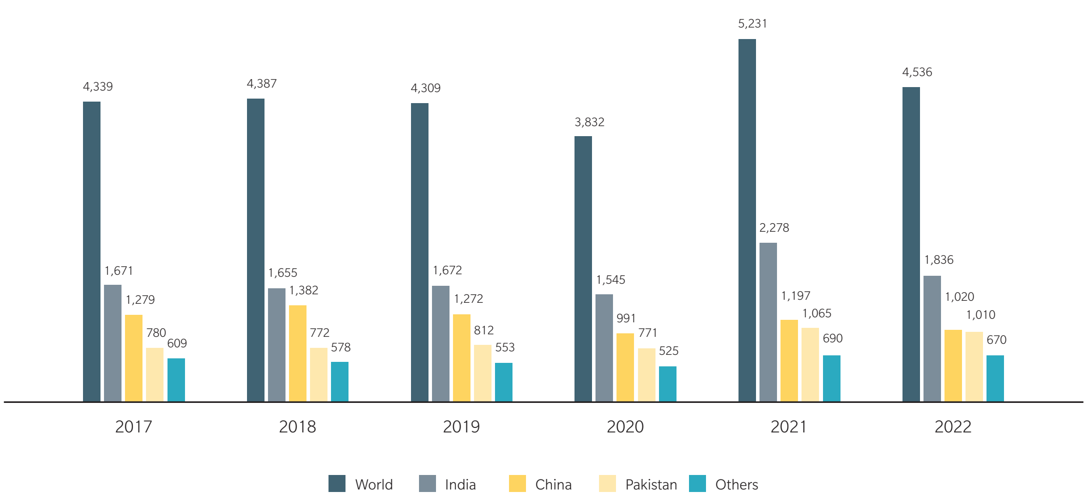
Figure 8: US Imports — Cotton Sheets, Pillow Cases, Bedspreads, Quilts & Terry Towels **% Shares of Countries**



(Source: OTEXA, Department of Commerce, United States of America)

Over the years, India has surpassed China to become the largest supplier of cotton soft home products to the United States. India's supply of these products to the United States stood at US$ 1.84 billion in 2022. China, on the other hand, witnessed a decline from 1.28 billion in 2017 to 1.02 billion in 2022.

Figure 9: US Imports — Cotton Sheets, Pillow Cases, Bed Spreads, Quilts and Terry Towels **US$ Million**



(Source: OTEXA, Department of Commerce, United States of America)

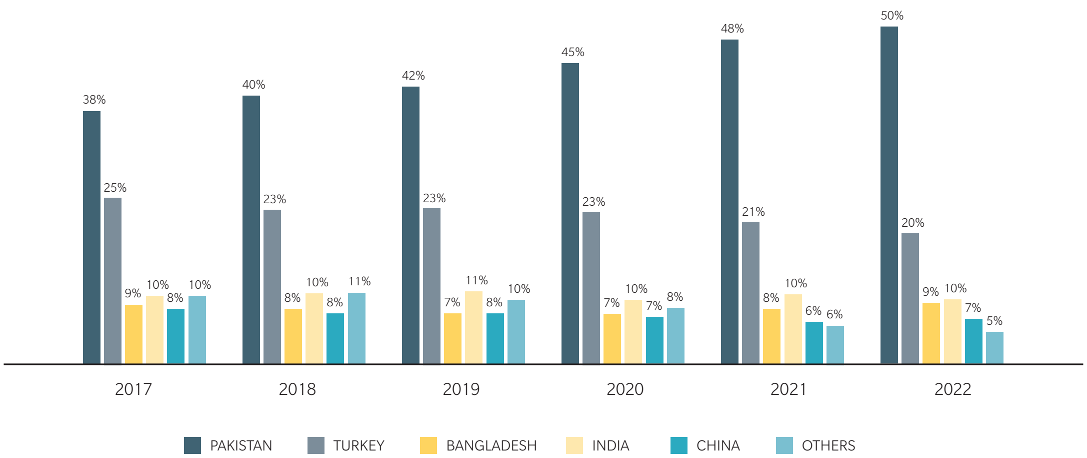
EU Imports of Home Textile Products

EU-27 imported cotton-based bed linen, terry and blankets worth € 2.99 billion in 2022 compared to € 2.37 in 2021. India is the third largest exporter of these goods to EU-27 with a € 287 million share and has grown its share to this region at a CAGR of 4.75% over the last five years.

The top three supplier countries to EU-27 region constitute ~ 80% of their total imports of cotton soft home products (bed linen, terry towels and blankets). In 2022, India's share in the total imports increased to 10% compared to 9.6% in 2020, retaining its position of being the third largest supplier of these products to EU-27.

Figure 10: EU-27 Imports — Cotton Bed Linens, Terry Towels & Blankets

% Shares of Countries

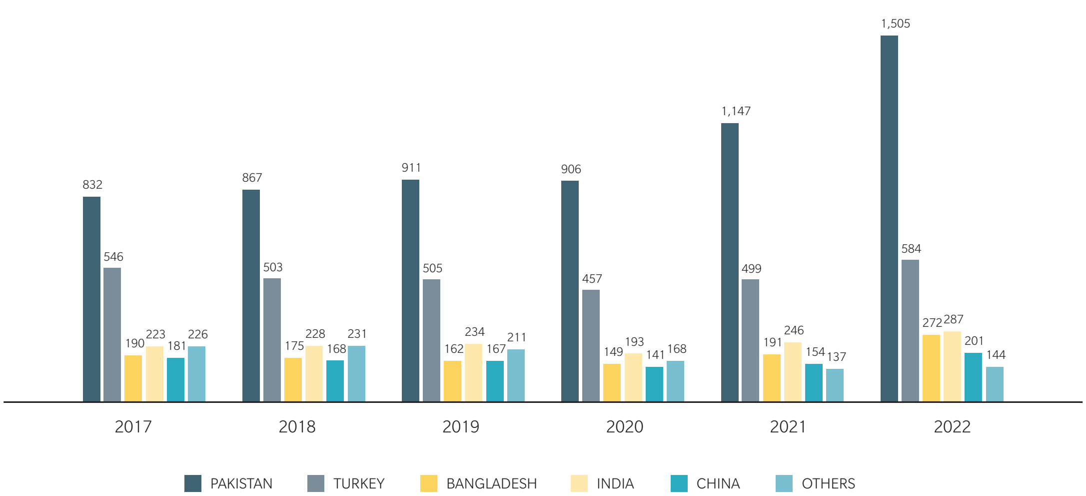


(Source: European Commission)

Pakistan continues to hold the dominant share in EU-27 imports for cotton based soft home products, this is primarily on account of duty advantages that it enjoys vis à vis India.

Figure 11: EU-27 Imports — Cotton Bed Linen, Terry Towels & Blankets

€ Million



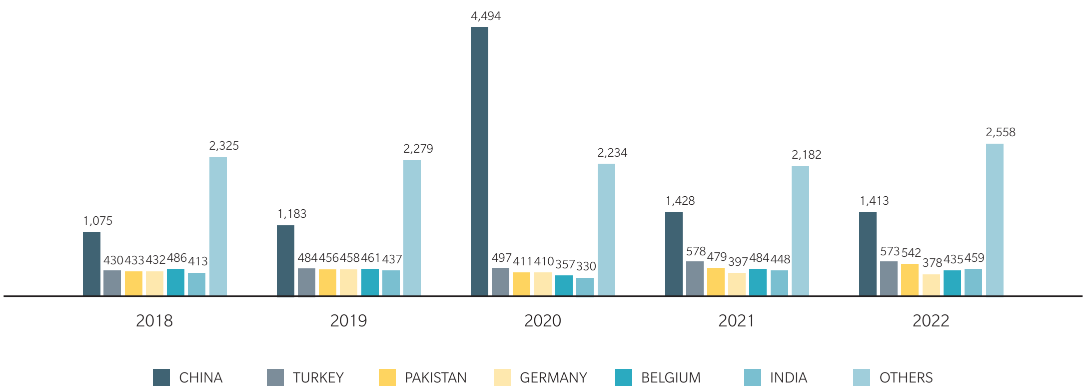
(Source: European Commission)

United Kingdom Imports of Textile Products

In 2020, imports by the United Kingdom (UK) were significantly higher due to imports of medical masks and PPE kits to combat the COVID-19 pandemic and the majority of these imports were from China. However, in 2022, UK imported total textile goods (excluding Clothing) worth GBP 6.35 billion compared to GBP 5.99 billion in 2021. Import of textile products has grown at a CAGR of 2.6% over the last 5 years. In 2022, India became the fourth largest exporter of these goods to UK with a GBP 459 million share compared to GBP 448 million in 2021. China continued to be the largest supplier of these products to UK with GBP 1.4 billion.

Figure 12: UK Imports — Textile Products (Excluding Clothing)

GBP Million



(Source: Office for National Statistics, United Kingdom)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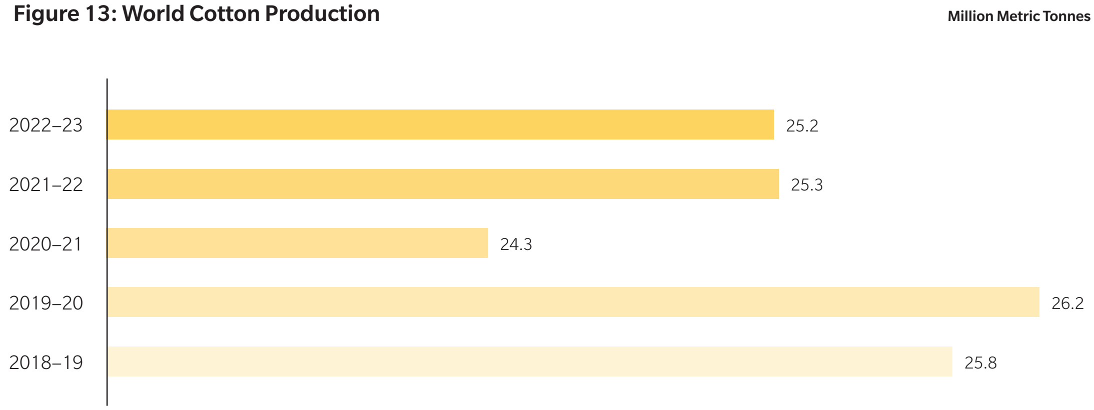
GLOBAL COTTON SCENARIO

Cotton is one of the most extensively used fibers in the global textile space with over 50% of the textile manufactured using cotton. Production of cotton provides employment in developing countries. Cotton is grown in over 100 countries but the main concentration is limited to few countries. After witnessing decline in production in 2020–21 to 24.3 million metric tons due to decline in yield and lower area harvest in major cotton growing areas, world cotton production increased marginally in 2022–23 to 25.2 million metric tons.

The U.S. Department of Agriculture's (USDA's) first 2023–24 global cotton projections anticipate that world consumption will slightly exceed production, lowering global stocks by 500,000 bales. World cotton area and production are each projected to rise less than 1%, with projections for harvested area and yield prospects for the major producing countries nearly offsetting. Global cotton consumption is anticipated to increase after consecutive seasons of decline, as the world economy is expected to slowly improve. U.S. cotton production in 2023–24 is expected to rise to 15.8 million bales, despite lower planted area. Higher production is anticipated due to a 20% increase in harvested area.

Figure 13: World Cotton Production



(Source: United States Department of Agriculture)

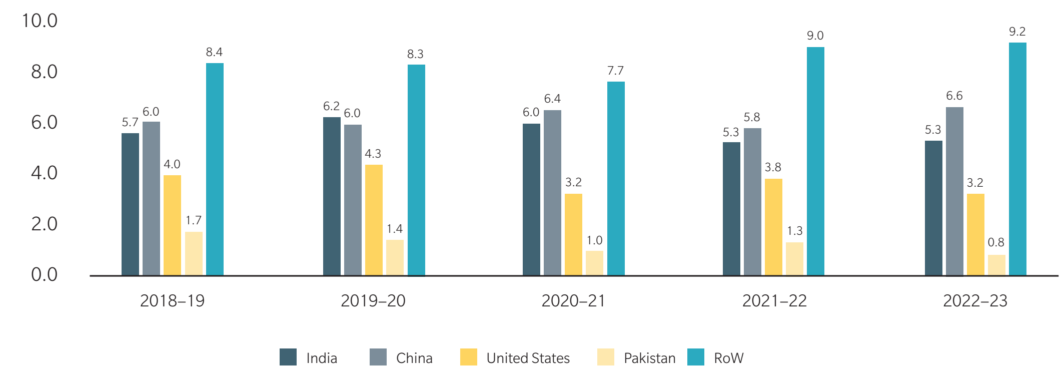
In 2022–23, India and China contributed ~ 47% of global cotton output. China regained the position of largest cotton producer in the world with a production output of 6.6 million metric tons, an increase of 13.8% over 2021–22. China's share in global cotton production increased to 26.3% in 2022–23 from 23.1% in 2021–22.

In 2022–23 India cotton exports were roughly equal to its import forecast. Exports have historically exceeded imports by a significant margin, and the last time imports exceeded exports was nearly 20 years ago. Lower domestic supplies, increased demand for foreign long and extra-long staple grades, and the Australia-India Economic Cooperation and Trade Agreement (ECTA) have all supported this recent dynamic. India has recently become the largest consumer of long and extra-long staple cotton. The Cotton Association of India said the country would probably soon change its status from a net exporter to an importer as its cotton output is projected to decline to 23.05 million bales, the smallest amount in almost two decades. Since the country doesn't grow enough domestically, grades including Egypt's Giza 94 and U.S. Pima are imported to support consumption. India will thus remain a steady source of import demand for this species of cotton.

The table shows India's cotton production vis à vis China, the United States and Pakistan over the last 5 years and estimates for 2022–23.

Figure 14: Cotton Production: Region Wise

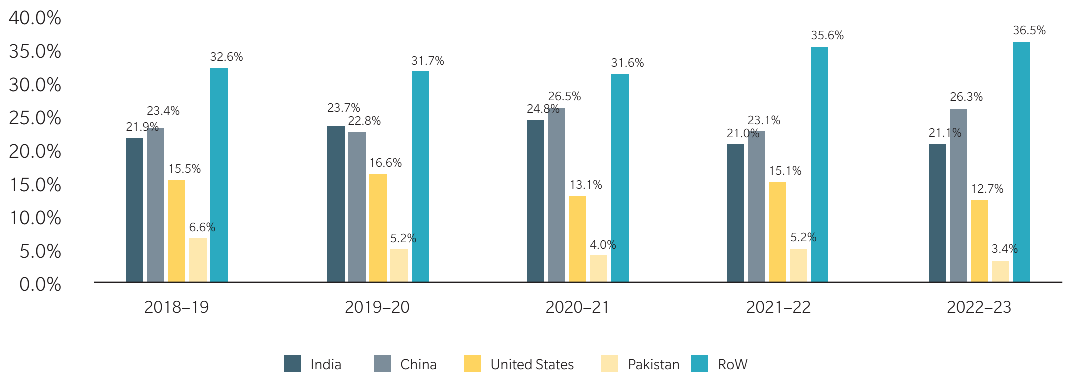
Million Metric Tonnes



(Source: Unites States Department of Agriculture (USDA))

Figure 15: Cotton Production Share: Region Wise

% Shares of Regions

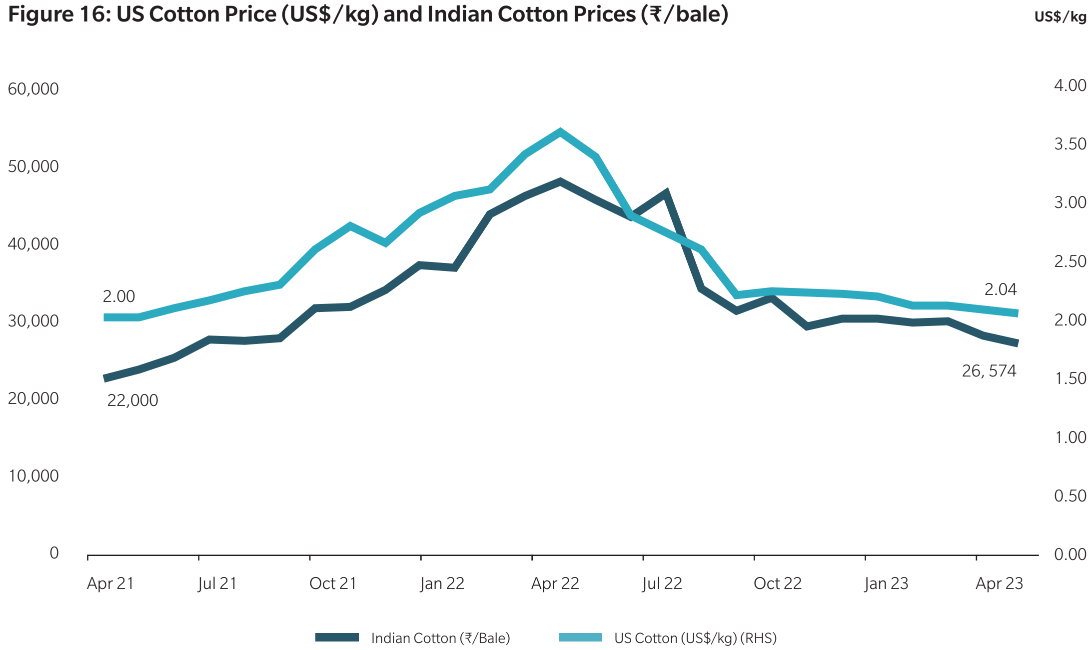


(Source: Unites States Department of Agriculture (USDA))

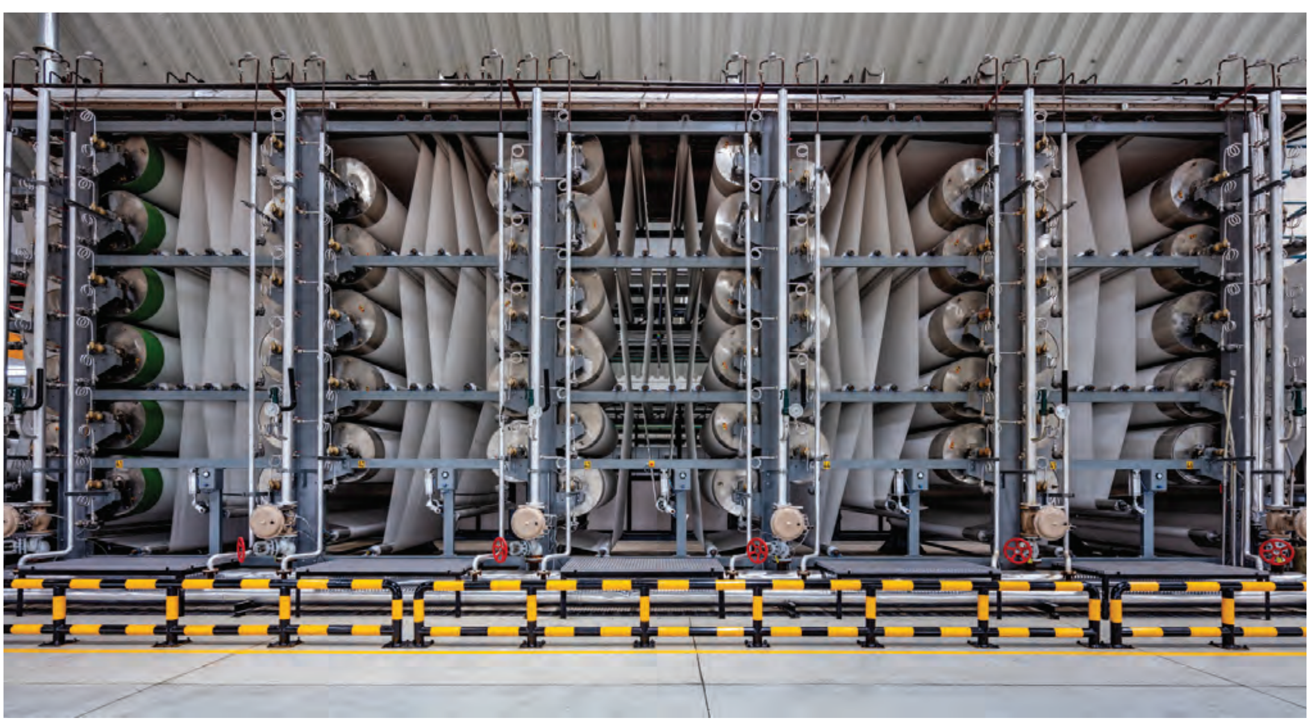
Global & Indian Cotton Prices

Global and domestic cotton prices continued to increase in FY23 and surge in prices continued till first half of the year. The increase in cotton prices was on account of supply-demand mismatch. The Indian spot prices relative to global prices surged earlier in the year, in part due to lower cotton supplies, slowing shipments to major markets including China.

Figure 16: US Cotton Price (US$/kg) and Indian Cotton Prices (₹/bale)



(Source: Index Mundi and MCX Index)



The table below gives a snapshot of the world's cotton production over the last 5 years and projection for one year.

Table 3: World Cotton Balance Sheet (updated)

World Cotton Balance Sheet

Million Metric Tonnes	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Stocks	17.6	18.0	21.4	18.8	18.8
Production	25.8	26.2	24.3	25.3	25.2
Supply	43.4	44.1	45.7	44.0	44.0
Consumption	26.1	22.7	26.8	25.3	24.0
Ending Stocks	18.0	21.4	18.8	18.8	20.0
Stocks/Use Ratio	**68.8%**	**94.2%**	**70.0%**	**74.1%**	**83.5%**

China Balance Sheet

Million Metric Tonnes	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Stocks	8.2	7.8	7.9	8.2	8.4
Production	6.1	6.0	6.4	5.8	6.6
Imports	2.1	1.6	2.8	1.7	1.6
Supply	8.2	7.5	9.2	7.5	8.2
Consumption	8.6	7.4	8.9	7.3	7.9
Exports	0	0	0	0	0.0
Demand	8.6	7.4	8.9	7.3	7.9
Ending Stocks	7.8	7.9	8.2	8.4	8.6
Stocks/Use Ratio	**90.9%**	**106.9%**	**92.2%**	**114.3%**	**108.7%**

India Balance Sheet

Million Metric Tonnes	2018/19	2019/20	2020/21	2021/22	2022/23
Beginning Stocks	2.0	1.9	3.4	2.6	1.9
Production	5.7	6.2	6.0	5.3	5.3
Imports	0.4	0.5	0.2	0.2	0.4
Supply	6.1	6.7	6.2	5.5	5.7
Consumption	5.3	4.5	5.7	5.4	4.9
Exports	0.8	0.7	1.3	0.8	0.4
Demand	6.1	5.2	7.0	6.3	5.3
Ending Stocks	1.9	3.4	2.6	1.9	2.3
Stocks/Use Ratio	**30.92%**	**66.18%**	**37.08%**	**29.91%**	**43.39%**

(Source: United States Department of Agriculture)

Our Risks & Opportunities

Himatsingka Seide Limited ("HSL/The Company") believes in value protection and enhancement through Risk Management strategy. HSL has a structured process and a balanced approach of identifying potential risks to the organization. The Company has a defined strategy for eliminating or mitigating risks, as well as mechanisms to effectively monitor and evaluate organizational risks. The assessment of Enterprise Risk Management is carried out periodically with a view to identify any new risks due to change in business model, external environment, government regulations etc.

Risk Factors	Risk	Mitigation
Customer Concentration	Dependence on few large customers/brands in North America and their ability to increase volumes.	HSL has exclusive license agreements with Brand Owners and business is appropriately spread across licensed brands and own private labels. The Company continuously focuses on opportunities to identify new customers across new geographies.
Market Dynamics	Failure to anticipate and respond to changes in consumer preferences, purchasing behavior and market trends. Risk of shift in consumer spending pattern leading to decreased sales; on account of high inventory holding by retailers and increase in inflation.	The Company has an in-house development team working constantly with brands and studying product sensitivities in the market. In line with consumer preferences, the Company manufactures bed-linen/towels with increased demand in anti microbial/anti bacterial finishes. The Company is exploring E-commerce on an ongoing basis and expecting to progress significantly in future. HSL is closely monitoring the business environment in US market, and inventory levels maintained by retailers. Production and shipping patterns are being altered accordingly.

Risk Factors	Risk	Mitigation
Revenues	Risk of customers/brands rationalizing sales price of products, impacting overall earnings/revenue.	HSL has exclusive license agreement with Brand Owners. Customers fix the selling price, and maintain brand value through constant product pricing. Product rationalization in discussion with retailers without impacting the product feature and utility.
Raw Materials	Dependency on foreign/single source of supply for raw materials leading to pricing pressures when considering alternatives during time of unavailability. Business difficulties or continuity failures of single source suppliers leading to cascading impact on production and delivery commitments. Adverse impact on margins on account of increase in cotton procurement price.	The Company has longer dated agreements with vendors for supply of materials at fixed prices besides maintaining sufficient inventory storage in anticipation of shortages in supply of raw-materials. The supply commitment for American Cotton is assured and adequate mix of import and domestic cotton is made. Negotiations with brands for price revisions due to increase in cotton prices The Company is closely monitoring movement in cotton prices and corresponding pricing pressure and margin impact.
Regulatory	Non-compliance with statutory requirements and country specific regulations may lead to business sanctions, management indictments, compounding fees or penalties.	The company has in place mechanisms to track and ensure regular and periodic applicable compliances.
Liquidity and Cred-it Risk	Insufficient short-term liquidity and asset liability mismatch may affect the company's ability to meet short term and long-term obligations. Adverse impact on working capital requirements on account of increase in repo rate by RBI and consequent hike in interest rates of lending institutions in India.	Rolling plans are prepared and reviewed. Company has a clear visibility for next 120–150 days cash flow estimates. Company has in place a strategy of availing working capital loans from diversified bankers; continuous rebalancing of debt portfolios to avoid mismatch in short term/long-term.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company's internal control systems to mitigate material business risks ensure proper safeguarding of assets, maintenance of proper accounting records and reliable financial information and is designed to provide reasonable assurance that all material misstatements, frauds or violations of laws and regulations will be prevented.

Independent External Assurance

An external independent firm carries out the internal audit of the Company's operations and reports its findings to the Audit Committee on a regular basis.

Internal Assurance

Internal Audit also evaluates the functioning and quality of internal controls and provides assurance of adequacy and effectiveness through periodic reporting.

Governance Structures & Policies

The combination of policies and processes cover and mitigates the various risks associated with the Company's business. The Company periodically reviews the effectiveness of the risk management framework and addresses emerging challenges that arise in a dynamic business environment.

HUMAN RESOURCES

The Human Resources function anchors organization transformation within the Company. Our efforts are directed towards establishing progressive practices creating a technology-led, engaged work environment. This has enabled us to attract, integrate, develop and retain the talent required to drive sustainable growth.

Learning & Development

The focus on value driven, competency based development differentiates us as a market leader in attracting and retaining top talent. Our continued focus on enhancing employee capabilities to deliver a best-in-class working environment has enabled us to maintain a collaborative, transparent and participative organization culture, that rewards merit and sustained high performance.

Diversity & Quality in the Talent Pool

The Company engages over 8000 people across its businesses and continues to invest in and nurture its talent pool in order to align with its broader vision. It ensures diversity in the workforce by promoting employees to maintain their identity, while adhering to the Company's values and behaviour. Concentrated efforts on gender, age and regional diversity have been initiated through workshops and training programs.

Human Resource Transformation

Our HR processes and systems have evolved with the digital global environment. Technology transformation is integrated with our HR processes to provide an agile, high quality work experience.

Analysis of Consolidated Financials

CONSOLIDATED INCOME STATEMENT SUMMARY — FY 23

(₹ Lakhs)

Particulars	Consolidated		
	2022–23	**2021–22**	**Change %**
Revenue From Operations	2,67,774	3,18,395	-15.9%
Other Income	7,502	1,962	282.4%
Total Revenue	2,75,276	3,20,357	-14.1%
Cost of Materials Consumed	1,54,211	1,64,413	-6.2%
As a % of Revenue	57.59%	51.64%	11.5%
Employee Benefit Expenses	28,160	32,719	-13.9%
Other Expenses	58,301	68,233	-14.6%
EBITDA	**34,604**	**54,992**	**-37.1%**
Depreciation	16,403	15,843	3.5%
EBIT	**18,200**	**39,150**	**-53.5%**
Interest and Finance Cost	25,723	18,117	42.0%
Profit Before Tax	-7,523	21,033	-135.8%
Profit After Tax	**-6,408**	**14,082**	**-145.5%**

Revenue Analysis

» Consolidated Total Revenues for the year decreased by 14.10 % and stood at ₹ 2,75,276 lacs. This was primarily on account of subdued demand for Company's products on account of overstocking by big box retailers during FY 23.

Expenditure Analysis:

» The cost of materials consumed stood at ₹ 1,54,211 lacs during the year. Material costs as a percentage of revenue from operations increased from 51.64% to 57.59% owing to extraordinary inflation in raw materials especially cotton.

» Employee benefit expenses stood at ₹ 28,160 lakhs as compared to ₹ 32,719 lacs and as a percentage of total revenue, employee benefit expense stood at 10.22% in FY 23 as compared to 10.21% in FY22.

» Total operating expenses stood at ₹ 2,40,672 lakhs in FY 23 vs ₹ 2,65,365 lakhs during the previous year.

» Interest and finance charges increased by 42% to Rs 25,723 lacs in FY 23 as compared to Rs 18117 lakhs in FY 22 on account of increase in interest rates by banks as RBI raised the Repo rates.

Profitability Analysis:

The consolidated EBITDA decreased by 37.1% to ₹ 34,604 lacs in FY23 versus ₹ 54,992 lacs in FY22. The consolidated EBITDA margins stood at 12.92% in FY 23 versus 17.27% during the previous year.

The consolidated EBIT decreased by 53.51% to ₹ 18,200 lakhs in FY 23 versus ₹ 39,150 lakhs during the previous year.

The consolidated loss after tax for the year stood at ₹ 6,407 lacs versus profit of ₹ 14,082 lakhs during the previous year.

The decrease in EBITDA and margins were largely due to high input costs (especially cotton) coupled with high energy costs and increase in container costs together with subdued demand for Company's products on account of overstocking by big box retailers. The impact was mainly on account of uptick in interest expenses due to interest rate hikes by Banks as RBI raised Repo rate.

CONSOLIDATED BALANCE SHEET

The analysis of our consolidated Balance Sheet as on 31st March 2023 is as below:

(₹ Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Property, Plant and Equipment *	2,67,438	2,81,484
Goodwill	52,387	48,415
Other Financial Assets	23,237	21,701
Deferred Tax Assets, (Net)	1,672	1,650
Non-Current Income Tax Assets (Net)	1,514	1,360
Other Current and Non-Current Assets	39,915	38,641
Inventories	88,485	1,13,125
Trade Receivables	67,002	39,946
Cash And Cash Equivalents^	11,769	18,042
Total Assets	**5,53,419**	**5,64,363**
Equity Share Capital	4,923	4,923
Other Equity	1,39,979	1,42,048
Total Borrowings	2,69,495	2,80,541
Current and Non-Current Provisions	2,851	3,445
Deferred Tax Liabilities (Net)	8,163	9,723
Current and Non-Current Other Liabilities	27,895	30,217
Trade Payables	81,452	70,826
Other Current and Non-Current Financial Liabilities	18,645	18,097
Current Income Tax Liabilities (Net)	16	4,542
Total Liabilities	**5,53,419**	**5,64,363**

*Includes CWIP, other intangible assets, right of use assets and assets held for sale
^Includes Current Investments

Analysis of Assets

Property, plant and equipment including CWIP and intangible assets decreased by ₹ 14,047 lacs due to depreciation on the assets.

Goodwill increased by ₹ 3,971 lakhs to ₹ 52,387 lacs on account of the depreciation of the Rupee against the US Dollar.

Cash and cash equivalents including current investments decreased by 6,273 lacs and stood at ₹ 11,769 lakhs in FY 23 versus ₹ 18,042 lakhs in the previous year.

Analysis of Equity and Liabilities

The Consolidated Net Worth of the Company decreased from ₹ 1,46,971 lakhs during FY 22 to ₹1,44,901 lakhs in FY 23 mainly due to losses registered during the year.

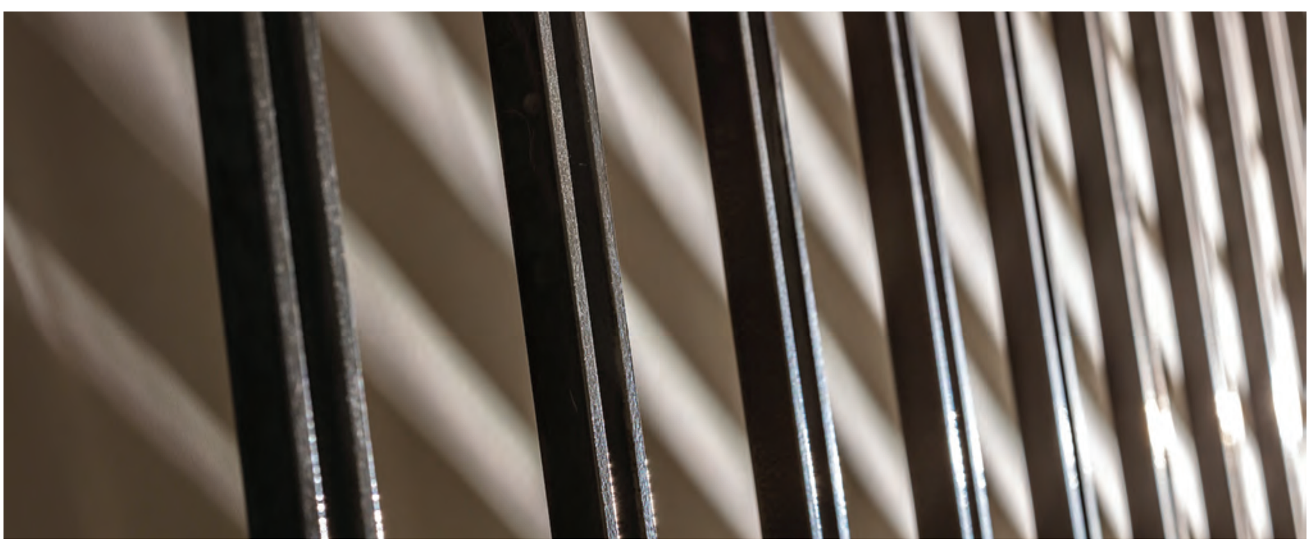
Total borrowings decreased from ₹ 2,80,541 in FY 22 to ₹ 2,69,495 lakhs in FY 23 due to repayments made during the fiscal.

Trade Payables stood at ₹ 81,452 lakhs versus ₹ 70,826 lakhs during the previous year.

KEY CONSOLIDATED FINANCIALS & RATIOS

(₹ Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total Income	2,75,276	3,20,357
EBITDA	34,604	54,992
EBIT	18,200	39,150
Net Profit after Tax	-6,408	14,082
Net Worth	1,44,901	1,46,971
Net Debt	2,68,324	2,73,565
Net Profit Margin	-2.3%	4.4%
Operating Profit Margin	12.6%	17.2%
Leverage Ratios		
Net Debt/Equity (Times)	1.85	1.86
Interest Coverage Ratio (Times)	0.71	2.16
Capital Efficiency Ratios		
Return on Equity (ROE)	-4.4%	10.1%
Return on Capital Employed (ROCE)	4.2%	9.4%
Working Capital Ratios		
Inventory Days	137	110
Receivable Days	73	42
Payable Days	104	76



Statutory Reports

Board's Report

We are pleased to present the Thirty Eighth (38th) Annual Report on the business and operations of your Company, along with Audited Financial Statements and the Auditor's Report for the financial year ended March 31, 2023.

1. FINANCIAL HIGHLIGHTS

The financial highlights for the year under review are given below: **(₹ in Lacs)**

Particulars	Standalone			Consolidated		
	2022-23	2021-22	Change %	2022-23	2021-22	Change %
Revenue from Operations	2,05,274	2,85,898	(28.20)	2,67,774	3,18,395	(15.90)
Other Income	7,740	1,994	288.16	7,502	1,962	282.36
Total Revenue	2,13,014	2,87,892	(26.01)	2,75,276	3,20,357	(14.07)
EBITDA	29,028	48,455	(40.09)	34,604	54,992	(37.07)
EBITDA Margin (%)	14.14%	16.95%	(16.58)	12.92%	17.27%	(25.19)
EBIT	17,224	37,070	(53.54)	18,201	39,150	(53.51)
Profit before tax	(4,234)	22,384	(118.92)	(7,522)	21,033	(135.76)
Tax Expense	(1,215)	6,951	(117.48)	(1,115)	6,951	(116.04)
Profit after tax	(3,019)	15,433	(119.56)	(6,407)	14,082	(145.50)

2. BUSINESS HIGHLIGHTS

Some key highlights of FY23 are as follows:

- The Standalone Total Revenue for Financial Year 2022-23 decreased by 26.01% and stood at ₹ 2,13,014 Lacs. Consequently, the Standalone EBITDA decreased by 40.09% and stood at ₹ 29,028 lacs.
- The operating performance during the fiscal was impacted due to a subdued demand environment, extremely high levels of raw material inflation and high energy costs. However, raw material costs, energy costs and global demand environment witnessed improvement starting second half of the fiscal 23 leading to an improvement in operating performance during the second half of the fiscal.

3. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of Business carried out by the Company during the period under review. There were no material changes & commitments during the period under review till the date of the report, affecting the financial position of the Company.

4. SHARE CAPITAL

During the year under review, Company has not issued and/or allotted any shares with/ without differential voting rights as per Section 43 of Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014.

The Authorized Share Capital of the Company is ₹ 67,00,00,000 divided into 13,40,00,000 Equity Shares of ₹ 5 /- each and the Paid-up Capital of the Company is ₹ 49,22,85,800/- divided into 9,84,57,160 Equity Shares of ₹ 5 each.

5. ISSUE OF SECURITIES

The Board at its meeting held on December 15, 2022 approved the following items of special business and shareholders of the Company consented to the same vide postal ballot resolution passed on January 15, 2023:

- Borrowing limits under section 180(1)(c) of the Companies Act, 2013 for an amount upto ₹ 3500 crores.
- Issuance of Securities including FCCBs to identified investors upto $ 13 Million.

Pursuant to delegation of powers to Securities Allotment Committee ("SAC"), the following allotments were approved by Securities Allotment Committee:

- 3420 Unrated, Unlisted, Secured, Redeemable, NCDs of face value ₹ 10,00,000 aggregating ₹ 342,00,00,000/- (Rupees three hundred and forty-two crores only) to International Finance Corporation ("IFC") on March 31, 2023 through Private Placement.

- 8300 Unrated, Unlisted, Unsecured FCCBs of face value of US $ 1000 each aggregating to US Dollar 8,300,000 (United States Dollar Eight Million Three Hundred Thousand only) to IFC on April 27, 2023 through Private Placement.
- 210 Unrated, Unlisted, Secured, Redeemable, NCDs of face value ₹ 10,00,000 aggregating ₹ 21,00,00,000/- (Rupees twenty-one crores only) to IFC on July 06, 2023 through Private Placement.
- 4200 Unrated, Unlisted, Unsecured FCCBs of face value of US $ 1000 each aggregating to US Dollar 4,200,000 (United States Dollar Four Million Two Hundred Thousand only) to IFC on July 07, 2023 through Private Placement.

6. DIVIDEND

In view of the Company's operating performance during the current fiscal, the Board has not recommended any dividend to the shareholders for the year ended March 31, 2023.

7. TRANSFER TO RESERVES

No amount has been transferred to reserves for the financial year ended March 31, 2023.

8. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES AND CHANGES THEREON

As on March 31, 2023, the Company had the following subsidiaries and Joint Ventures:

Subsidiaries

- Himatsingka Wovens Private Limited – (wholly owned subsidiary)
- Himatsingka Holdings NA Inc. – (wholly owned subsidiary)
- Himatsingka America Inc. – (Step down wholly owned subsidiary)

Joint Venture

- Twill & Oxford LLC, is a Joint Venture Company based out of UAE and has filed for voluntary liquidation under the applicable regulations and is same is under process.

Consolidated Financial Statements

As required under section 129(3) of the Companies Act, 2013 the Company has prepared Consolidated Financial Statements which form a part of the Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. A statement containing the salient features of the Financial Statements of its subsidiaries in form AOC-1 is annexed to this report as **Annexure 1.**

Pursuant to section 136 of the Companies Act, 2013, the Annual Report of your Company containing inter alia Financial Statements including Consolidated Financial Statements and Financial Statements of the subsidiaries are available on the Company's website – https://www.himatsingka.com/investors/financial-reports

9. ANNUAL RETURN

As required under the Companies Act, 2013, the draft of the Annual Return for the year 2023 is available on the website of the company – https://www.himatsingka.com/investors/financial-reports

10. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year as per the provisions of the Companies Act, 2013.

11. BOARD OF DIRECTORS AND COMMITTEES

Composition of Board and changes thereto

As on March 31, 2023, the Board of the Company comprised of 7 (Seven) Directors of which 3 (Three) were Independent Directors including one Independent Woman Director, 1 (One) Nominee Director, and 3 (Three) were Executive Directors two of whom were Promoter Executive Directors.

The details of changes in the composition of the Board and Committees thereof are provided in the Corporate Governance Report forming part of the Annual Report.

As on date of the report i.e. Aug 10, 2023, the Board of the Company comprises of 6 (Six) Directors of which 3 (Three) are Independent Directors including one Independent Woman Director and 3 (Three) are Executive Directors two of whom are Promoter Executive Directors.

In the opinion of Nomination & Remuneration Committee and Board, Independent Directors appointed during the year hold requisite integrity, expertise and experience to serve on the Board of the Company.

Board Meetings

The Board met 8 (Eight) times during the year under review and the intervening gap between the meetings was within the period prescribed under the Companies Act 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The details of the meetings and attendance thereof are provided in the Corporate Governance Report forming part of the Annual Report.

Board Committees

The requisite details pertaining to the Committees of the Board are included in the Corporate Governance Report which is part of the Annual Report.

Re-appointment of Director retiring by rotation

In accordance with the provisions of section 152(6) of the Companies Act, 2013, and Articles of Association of the Company, Mr. S. Shanmuga Sundaram, Director, (DIN: 09816120), retires by rotation and being eligible, offers himself for re-appointment. His re-appointment will be taken up at the ensuing Annual General Meeting for approval of shareholders.

Declaration by Independent Directors

The Company has received from each of its Independent Directors, declaration as stipulated under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of Listing Regulations, confirming that the Director meets the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(b) of Listing Regulations. The Independent Directors have also declared compliance with Rule 6(1) and 6(2) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Directors' Responsibility Statement

As required by the provisions of Section 134(3)(c) of the Companies Act, 2013, we the Directors of Himatsingka Seide Limited, confirm the following:

a) in the preparation of the Annual Financial Statements for the year ended March 31, 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2022-23 and of the profit and loss of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Annual Financial Statements have been prepared on a Going Concern basis;

e) the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Key Managerial Personnel (KMP)

The Key Managerial Personnel(s) of the Company as on March 31, 2023 were Mr. D.K. Himatsingka, Executive Chairman, Mr. Shrikant Himatsingka, Managing Director & CEO and Mr. M. Sridhar, General Manager – Corporate Compliance & Company Secretary.

Mr. D.K. Himatsingka has been re-appointed as Executive Chairman, for a period of 5 (Five) years w.e.f. June 1, 2023 and Mr. Shrikant Himatsingka has been re-appointed as Executive Vice Chairman & Managing Director for a period of 5 (Five) years w.e.f. June 1, 2023. The details of the same is provided in the Corporate Governance Report.

During the year, Mr. K.P Rangaraj, President – Finance & Group Chief Financial Officer, attained superannuation and retired from the services of the Company with effect from close of business hours on March 15, 2023.

Board Performance Evaluation

The Company has, during the year, conducted an evaluation of the Board as a whole, its Committees and the individual Directors including the Independent Directors. The evaluation was carried out through different evaluation forms which covered among others the evaluation of the composition of the Board/committee, its effectiveness, activities, governance, and with respect to the Chairman and the individual Directors, their participation, integrity, independence, knowledge, impact and influence on the Board. The Independent Directors of the Company also convened a separate meeting and evaluated the performance of the Board, the Non-Independent Directors and the Chairman.

12. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standard (SS-1 on Meetings of the Board of Directors) and Secretarial Standard (SS-2 on General Meetings).

13. AUDITORS AND AUDITORS' REPORT

a) Statutory Auditors

The Members of the Company at the 37th AGM held on September 28, 2022 had appointed M/s MSKA & Associates, Chartered Accountants, as the Statutory Auditors of the Company to hold office for a period of 5 (Five) years from the conclusion of the 37th AGM till the conclusion of 42nd AGM to be held in the year 2027.

The report of Statutory Auditors M/s MSKA & Associates, Chartered Accountants, for F.Y-2022-23 (forming part of the Annual Report) does not have any qualification, reservation or adverse remarks.

b) Secretarial Audit

The Company had appointed CS Vivek Bhat, Company Secretary in Practice, to conduct the secretarial audit as required under Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for the financial year 2022-23 does not contain any adverse remark, qualification or reservation. The report is appended as **Annexure 2** to this report.

c) Secretarial Compliance Report

The Company had appointed CS Vivek Bhat, Company Secretary in Practice for issuing the Annual Secretarial Compliance Report under Regulation 24A of Listing Regulations which is appended as **Annexure 3** to this report.

d) Cost Auditors

Since the Company's export revenue in foreign exchange, for the financial year 2022-23 was greater than 75% (seventy-five percent) of the total revenue of the Company, the Company falls within the exemption specified in Clause 4(3) of The Companies (Cost Records and Audit) Rules, 2014. In view of this, there is no requirement to furnish cost audit of cost records of the Company for its units at Hassan and Doddaballapur.

e) Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company has reappointed Grant Thornton Bharat LLP for carrying out the Internal Audit of the Company for the financial year 2023-24. The audit committee of the Board of Directors in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the internal audit of the Company.

f) Internal Financial Controls

The Board reviews the effectiveness of controls as part of Internal Financial Controls framework. There are regular scheduled reviews that covers controls, process level controls, fraud risk controls and the Information Technology environment.

Based on this evaluation, no significant events have been noticed during the year that have materially affected, or are reasonably likely to materially affect, our Internal Financial Controls. The management has also come to a conclusion that Internal Financial Controls and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

The Statutory Auditors of the Company has audited Internal Financial Controls over Financial Reporting and their Audit Report is annexed as Annexure A to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements.

g) Fraud Reporting

There have been no instances of fraud reported by the Auditors under section 143(12) of the Companies Act 2013 and Rules framed thereunder either to the Company or to the Central Government.

14. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES MADE

The particulars of loans made, guarantees given, investments made and securities provided as per the provisions of Section 186 of the Companies Act, 2013 and the relevant rules made thereunder are given in the notes to the Standalone Financial Statements.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into by the Company with its related parties are at arm's length and in the ordinary course of business. Therefore, there is no requirement to annex AOC-2 to this Report.

16. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS/ COURTS

There are no significant or material orders passed by Regulators/ Courts during the year under review.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A statement containing the necessary information on Conservation of energy, Technology absorption and Foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure-4.**

18. RISK MANAGEMENT

The Company has developed and implemented a comprehensive Risk Management Policy and framework to counter and mitigate the various risks encountered by the Company. In terms of the provisions of Section 134 of the Companies Act, 2013 a Risk Management Report is set out elsewhere in this Annual Report.

19. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) The remuneration of Directors is given herein below:

(₹ in Lacs)

Director	DIN	Sitting fees	Salaries and perquisites	Profit linked Commission	Total	Ratio to Median remuneration of employees	Percentage (%) increase/ (Decrease) over previous year
Mr. D.K. Himatsingka	00139516	Nil	141.52	Nil	141.52	69.60:1	(70.47)
Mr. Shrikant Himatsingka	00122103	Nil	137.01	Nil	137.01	67.38:1	(41.48)
Mr. Rajiv Khaitan	00071487	9.50	Nil	10.00	19.50	9.59:1	14.71
Mr. Harminder Sahni^	00576755	2.50	Nil	10.00	12.50	6.15:1	NA
Ms. Sandhya Vasudevan^	00372405	2.00	Nil	10.00	12.00	5.90:1	NA
Mr. Pradeep Bhargava^	00525234	8.00	Nil	10.00	18.00	8.85:1	0.00
Mr. Raja Venkataraman^	00669376	7.50	Nil	10.00	17.50	8.61:1	6.06
Mrs. Sangeeta Kulkarni^	01690333	3.50	Nil	5.00	8.50	4.18:1	(41.38)
Mr. V. Vasudevan^	07521742	4.00	Nil	Nil	4.00	1.97:1	(87.22)
Mr. S. Shanmuga Sundaram^	09816120	Nil	11.73	Nil	11.73	5.77:1	NA

^Not on the Board of the Company for the full Financial Year 2022-23 and Remuneration details for the period of association.

In the remuneration mentioned above, the sitting fees, salaries and perquisites form the fixed component of the total remuneration. The commission is a variable component and is linked to the operating performance of the Company.

b) Percentage Increase/ (Decrease) in the Remuneration of the Key Managerial Personnel (other than Directors mentioned above)

Key Managerial Personnel	Designation	Percentage Increase/(Decrease) in the remuneration, if any
Mr. K.P. Rangaraj	President – Finance and Group CFO	(5.97)
Mr. M. Sridhar	General Manager – Corporate Compliance & Company Secretary	19.00

c) The percentage increase in median remuneration of the employees is 2.78 %

d) The number of permanent employees in the rolls of the Company is 7114

e) The average increase in the salaries of managerial personnel during the year was 12.48% and the average increase in the salaries of employees other than managerial personnel was 1.27%.

f) The Executive Directors were not eligible for payment of Commission in view of the operating performance of the Company during the year.

g) During the year, there were four employees (including KMP) whose remuneration was higher than that of the highest paid director.

h) It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

i) Information as per rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The Statement containing names of top ten employees in terms of remuneration drawn and particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 shall be provided to the shareholders upon a request made to the Company Secretary at investors@himatsingka.com. Further, the Annual Report is being sent by email to the members excluding the aforesaid information in terms of Section 136 of the Act.

20. INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of ₹10,99,818.00. Further, 11,627 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. Year-wise amounts of unpaid / unclaimed dividends lying in the unpaid account up to the year, and the corresponding shares, which are liable to be transferred are provided in the Shareholder Information section of Corporate Governance Report and are also available on our website – **https://www.himatsingka.com/investors/shareholder-information**

21. INSURANCE

The Company's assets are subject to risks/ peril and are adequately insured. In addition, the Company has also taken a Directors & Officers Liability Policy to provide coverage against the liabilities arising on them. The Policy extends to all Directors and Officers of the Company and its Subsidiaries.

22. POLICIES

a) Whistle Blower Policy

As a conscious and vigilant organization, Himatsingka Seide Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, transparency and ethics.

In its endeavour to provide its employees a secure working environment, the Company has established a "Whistle Blower Policy" as required under the Companies Act, 2013 and Listing Regulations and the same is also available in the Company's website – **https://www.himatsingka.com/investors/corporate-governance**

The Company Secretary of the Company, has been designated as the Chief Compliance Officer under the policy and the employees can report any instance of unethical behaviour, fraud and/or violation of the Company's code of conduct or policy to the Chief Compliance Officer.

The Company has put in place adequate measures for the visibility of the whistle blower policy to employees and stakeholders at the workplace and at the plants. In exceptional and appropriate cases, an employee can make direct appeal to the Audit Committee Chairman. The contact details of the Audit Committee Chairman are also available in the Whistle Blower Policy.

The details of complaints received, if any are provided in the Corporate Governance Report forming part of the Annual Report.

b) Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide a safe and secure work environment to all its employees. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Therefore, any discrimination and/or harassment in any form is unacceptable and the Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of complaints thereof, if any are provided in the Corporate Governance Report forming part of the Annual Report.

c) Nomination and Remuneration Policy

The Nomination and Remuneration Committee has formulated a policy as required under Section 178(3) of Companies Act, 2013 and Regulation 19 read with Schedule II to the Listing Regulations, stipulating the criteria for determining qualifications, required experience and independence of a director and also the criteria relating to the remuneration of the directors, key managerial personnel, senior management personnel and other employees and their performance evaluation. The policy is available on the Company's website – https://www.himatsingka.com/investors/corporate-governance.

d) Dividend Distribution Policy

The Board of Directors of the Company have adopted a Dividend Distribution Policy as required under Regulation 43A of Listing Regulations. The Policy is available at the website of the company – https://www.himatsingka.com/investors/corporate-governance.

e) Policy for determining material subsidiaries

As required under Regulation 24 of Listing Regulations, the Company has adopted a policy for determining material subsidiaries. The policy has been disclosed on the Company's website – https://www.himatsingka.com/investors/corporate-governance

f) Policy on Related Party Transactions:

The Company has also formulated a policy on dealing with Related Party Transactions as required under Regulation 23 of Listing Regulations. The same is available on the Company's website – https://www.himatsingka.com/investors/corporate-governance.

g) Corporate Social Responsibility

Corporate Social Responsibility (CSR) is central to the operating philosophy of the Company and it is the Company's constant endeavour to ensure that its businesses uphold the highest standards of governance and compliance. It aims to deliver sustainable value to society at large as well as shareholders. In keeping with its philosophy, the Company has set up a CSR Committee that identifies CSR projects and overlooks, supervises and provides guidance for the implementation of the projects. The CSR Committee explores various activities based on the thrust areas, filters and shortlists projects for CSR activities with the approval of Board of Directors. The company's CSR activities envisage initiatives primarily in the areas of health, education, environmental protection, community development and sanitation among others.

The details of the Composition of CSR Committee, the CSR Policy and the CSR spending have been elaborated in the **Annexure-5** to this report.

23. CORPORATE GOVERNANCE REPORT (CGR)

We comply with the corporate governance code as prescribed by the Stock Exchanges and the Securities and Exchange Board of India (SEBI). The detailed report on corporate governance forms a part of the Annual Report and the Corporate Governance Report along with the Practicing Company Secretary Certificate on compliance with the mandatory recommendations on corporate governance is available in a separate section.

24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

In terms of Regulation 34 of SEBI Listing Regulations, the Management Discussion and Analysis Report (MDA) forms part of the Annual Report outlining the International and Domestic economic outlook, key developments in the International and Domestic Textile Industry.

25. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Company has prepared Business Responsibility and Sustainability Report which forms part of the Annual Report inter alia containing environmental, social and governance disclosures.

26. PENDING PROCEEDINGS UNDER THE IBC CODE, 2016

During the year, Company filed an application before National Company Law Tribunal, ("NCLT"), Mumbai under Insolvency and Bankruptcy Code 2016 claiming an amount of ₹ 1,29,07,257.6 from Textile Professional LLP and an amount of ₹ 6,21,47,627 from Umiya Textiles Pvt. Ltd. As a counter, Textile Professional LLP had filed a petition at NCLT, Bangalore.

The proceedings with respect to above are at different stages and are ongoing.

27. VALUATION FOR LOANS OBTAINED FROM FINANCIAL INSTITUTIONS/ BANKS

There was no instance of one-time settlement with any Bank or Financial Institution during the period under review.

Acknowledgement

Your Directors wish to place on record their appreciation of the continuous efforts made by all employees in ensuring excellent all-round operational performance. We also wish to thank our Customers, Vendors, Shareholders and Financial Institution for their continued support. Your Directors would like to express their grateful appreciation to the Central Government and Government of Karnataka for their continued co-operation and assistance.

For and on behalf of the Board

Shrikant Himatsingka	**D.K. Himatsingka**
(Executive Vice Chairman & Managing Director)	(Executive Chairman)

Place: Bengaluru
Date : August 10, 2023

ANNEXURE –1

STATEMENT REGARDING SUBSIDIARY COMPANIES AS OF MARCH 31, 2023

Pursuant to Section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014

Form AOC-1

Part "A" Subsidiaries **(₹ in Lacs)**

Sl. No.	Name of the subsidiary	HWPL	HHNA	HIMA
1.	Date since Subsidiary was acquired	January 17, 2003	April 20, 2004	July 31, 2015
2.	Shareholding	100 %	100 %	100 % through HHNA
3.	Share Capital	1,750.00	1,05,252.51	77,433.39
4.	Reserves and Surplus	543.09	7,034.12	(35,368.46)
5.	Total Assets	2,589.31	1,30,121.26	1,58,625.36
6.	Total Liabilities ^	296.22	17,834.62	1,16,560.42
7.	Investments*	–	–	23.67
8.	Turnover		–	1,73,427.26
9.	Profit/ (Loss) Before Tax	101.18	(1.00)	(3,185.21)
10.	Provision for Taxation	9.98	2.30	(12.12)
11.	Profit/ (Loss) After Tax	91.20	(3.30)	(3,173.08)
12.	Proposed Dividend	–	–	–
13.	Closing exchange rate	INR/1.00	USD/82.19	USD/82.19
14.	Average exchange rate	INR/1.00	USD/82.2299	USD/82.2299

HWPL=Himatsingka Wovens Private Limited, HHNA= Himatsingka Holdings NA Inc., HIMA= Himatsingka America Inc.

^ excluding Capital and reserves and including current liabilities and provisions

*Other than in subsidiaries

All subsidiaries above have their reporting period as March 31, 2023.

Part "B" Associate

Sl. No.	Name of the Associate	Latest Audited Balance sheet	Shares of Associate/held by the Company on the Year ended			Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to Shareholding as per latest audited balance sheet	Profit/Loss for the Year	
			No.	Amount of Investment in associates	Extent of Holding %				Considered in consolidation	Not considered in consolidation
NA										

For and on behalf of the Board of Directors

D.K. Himatsingka
(Executive Chairman)

Shrikant Himatsingka
(Executive Vice Chairman & Managing Director)

M. Sridhar
(General Manager – Corporate Compliance & Company Secretary)

Place: Bengaluru
Date : August 10, 2023

ANNEXURE – 2

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
HimatsingkaSeide Limited
10/24, Kumara Krupa Road
High Grounds, Bangalore-560 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Himatsingka Seide Limited (CIN: L17112KA1985PLC006647) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Himatsingka Seide Limited for the financial year ended on 31st March 2023 according to the provisions of:

I) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of investment in overseas subsidiary and External Commercial Borrowings;

V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

   a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

VI) Other laws applicable to the Company including Factories Act, 1948,The Payment of Gratuity Act, Environment Protection Act, 1986 and other applicable Economic and Commercial Laws etc.

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

   i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. Certain non-material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards were addressed suitably by the Management.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. However, one of the financial institutions have nominated a Director on the Board of the Company and the Nominee Director has been appointed on the Board with effect from March 9, 2023 resulting in composition of the Board not in accordance with provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The Company is in process of appointing an additional independent Director to maintain the composition of the Board as per LODR.

The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and conducted a board meetings in shorter Notice with consent whenever its required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Vivek Manjunath Bhat
Practicing Company Secretary
M. No: F7708, COP: 8426
UDIN: F007708E000320141
PR No: 1482/2021

Place: Bengaluru
Date : 17th May 2023

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE – A

To,
The Members
Himatsingka Seide Limited
10/24, Kumara Krupa Road
High Grounds, Bangalore-560 001.

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

1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date : 17th May 2023

Vivek Manjunath Bhat
Practicing Company Secretary
M. No: F7708, COP: 8426
UDIN: F007708E000320141
PR No: 1482/2021

ANNEXURE - 3

SECRETARIAL COMPLIANCE REPORT

Of Himatsingka Seide Limited (CIN: L17112KA1985PLC006647) for the year ended 31st March 2023

I, Vivek Manjunath Bhat, Company Secretary, have examined:

a) All the documents and records made available to me and explanation provided by Himatsingka Seide Limited ("the Company"),

b) The filings/ submissions made by the Company to the stock exchanges,

c) Website of the Company,

d) Other relevant filings required to be made under other SEBI regulations which have been relied upon to make this certification, for the year ended 31st March 2023 ("Review Period") in respect of compliance with the provisions of:

   a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and

   b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i) Other regulations as applicable and circulars/ guidelines issued there under;

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sl. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI),as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	Nil
2.	Adoption and timely updation of the Policies: All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI.	Yes Yes	Nil Nil
3.	**Maintenance and disclosures on Website:** The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes Yes Yes	Nil Nil Nil
4.	**Disqualification of Director:** None of the Director(s) of the Company is/are Disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	Nil

Sl. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** Identification of material subsidiary companies Disclosure requirement of material as well as Other subsidiaries	 Yes Yes	 Nil Nil
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	Nil
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	Nil
8.	**Related Party Transactions:** The listed entity has obtained prior approval of Audit Committee for all related party transactions; or The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	Nil
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.	Yes	NA
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	Certificate of Compliance has been issued by Company Secretary to the Stock Exchange for the period April 2022 to December 2022.
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No action(s) has been taken against the listed entity / its promoters / directors / subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars / guidelines issued there under ~~except as provided under paragraph herein (**)~~	NA	Nil
12.	**Additional Non-compliances, if any:** No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Nil	Nil

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMDI/114/2019 dated 18th October, 2019:

Sl. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	i) If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter; or ii) If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii) If the auditor has signed the limited review/audit report for the first three quarters of a financial year, the auditor before such resignation has issued the limited review/audit report or the last quarter of such financial year as well as the audit report for such financial year.	NA NA NA	Auditor has not resigned during the financial year. Post completion of term of appointment, the shareholders of the Company have appointed new statutory auditors for a period of five years with effect from September 28, 2022.
2.	**Other conditions relating to resignation of statutory auditor**		
	1) Reporting of concerns by Auditor with respect to the listed entity/ its material subsidiary to the Audit Committee: a) In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA NA	Nil Nil
	b) In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c) The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii) Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA NA	Nil Nil
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	Nil

a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	NIL	NIL	NIL	NA	NA	NA	NA	NIL	NA	NIL

b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	NIL	NIL	NIL	NA	NA	NA	NA	NIL	NA	NIL

Vivek Manjunath Bhat
Practicing Company Secretary
M. No: F7708, COP: 8426
UDIN: F007708E000320262
PR No: 1482/2021

Place: Bengaluru
Date : 17th May 2023

ANNEXURE – 4

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY:

a) The Company undertook the following steps for conservation of energy / utilizing alternate source of energy during the year 2022-23:

Sl. No.	Particulars	Conservation
1.	Operation optimization of installed compressor at our manufacturing facilities led to reduction of energy consumption.	1,40,000 KWH/Annum
2.	Installation of 90 KW VFD for Process boilers feed pumps.	72,000 KWH/ Annum
3.	Optimization of Evaporation equipment at our Effluent Treatment Plants to reduce specific steam consumption.	8,640 MTSteam/Year

* MT: Metric Tonne
KL: Kilo Litre

B) TECHNOLOGY ABSORPTION:

a) Efforts in brief made towards technology absorption, adoption and innovation:

- Onboarded digital printing capabilities to produce textile products with high complexity and small quantities.
- Onboarded Pulsar technology systems for dyeing. The technology represents completely re-engineered hydraulic circuit, which drives the base plate of dyeing carrier in three different sectors. Dye liquor circulates through nozzles at pre-set intervals controlled by dedicated software. This technology saves about 25% of water and steam otherwise used.
- Continued to augment LED footprint for lighting to enhance efficiency and thereby save energy.
- Installed state of the art centralized fire alarm and control systems to ensure best in class fire mitigation capabilities at our manufacturing facilities.

b) Benefits derived as a result of the above efforts:

- Benefits from the efforts above include cost rationalization, lower usage of natural resources, enhancement of productivity, resource optimisation.
- Technology absorption efforts also paves the way for creating unique products that help the Company maintain a sustainable competitive advantage and positions it to be a preferred partner for global clients.

c) Information regarding imported technology: Not applicable

d) Expenditure on R&D

- For the year 2022-23, the Company incurred ₹ 739.35 lacs towards recurring expenditure on R&D. The total R&D expenditure as a percentage of turnover is 0.36%..

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	₹ in Lacs
Earnings:	
Export (FOB Value)	1,80,179.29
Outgo:	
Import of raw materials and other inputs	19,172.49
Other expenses	499.84
Net foreign exchange earnings from operations	1,60,506.96
Import of capital goods	112.26

ANNEXURE – 5

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company: Corporate Social Responsibility (CSR) is central to the operating philosophy of the Company as it is the Company's constant endeavour to ensure that its businesses uphold the highest standards of governance and compliance. The Company proposes to engage in one or more CSR activities falling under the list prescribed under the schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Name of the Director	Position	Meeting of the Committee		Held during the year	Attended during the year	Percentage of Attendance
		30.08.2022	11.02.2023			
Mr. Shrikant Himatsingka	Chairperson w.e.f. 15.12.2022 (Member since 11.02.2015)	√	√	2	2	100%
Mr. D.K. Himatsingka	Chairperson till 15.12.2022 (Member since 30.05.2023)	√	NA	1	1	100%
Ms. Sandhya Vasudevan	Member w.e.f. 14.11.2022	NA	√	1	1	100%
Mr. S. Shanmuga Sundaram	Member w.e.f. 15.12.2022	NA	√	1	1	100%
Mrs. Sangeeta Kulkarni	Member till 30.08.2022	√	NA	1	1	100%
Mr. Raja Venkataraman	Member till 14.11.2022	√	NA	1	1	100%

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.himatsingka.com/

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

5. a) Average net profit of the company as per sub-section (5) of section 135: ₹ 18,107 Lacs.
   b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 360.34 Lacs
   c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
   d) Amount required to be set-off for the financial year, if any: ₹ 0.51 lacs
   e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 359.83 lacs rounded off to ₹ 360.00 lacs.

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects): ₹ 365.05 Lacs
   b) Amount spent in Administrative Overheads: Nil
   c) Amount spent on Impact Assessment, if applicable: Not Applicable
   d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 365.05 Lacs
   e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 123.72 Lacs	₹ 241.33 Lacs	April 29, 2023	NIL	NIL	NIL

f) Excess amount for set-off, if any: ₹ 5.05 Lacs

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	₹ 360.34 Lacs
ii)	Total amount spent for the Financial Year	₹ 365.05 Lacs
iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 5.05 Lacs
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 5.05 lacs

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	FY 2021-22	NA						
2.	FY 2020-21	NA						
3.	FY 2019-20	NA						

Note: During the Financial Year 2019-20, total CSR obligation was ₹ 589 Lacs. However, Company could not spend ₹ 43.88 Lacs during the year and reasons for the same were given in the Board's Report pertaining to that year.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135: **Not Applicable**

Shrikant Himatsingka
(Chairman, CSR Committee)

D.K. Himatsingka
(Executive Chairman)

Corporate Governance Report

Pursuant to Regulation 34(3) and Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1) COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure the Company's adherence to fair practices with a view to meet the obligations to various stakeholders.

At Himatsingka we believe that Corporate Governance is an essential element of business, which helps the Company to fulfill its responsibilities to all its stakeholders. Himatsingka is committed to adopting best practices in Governance and Disclosures in order to create stakeholder value. We believe Corporate Governance is integral to managing and monitoring a corporation with the highest degree of responsibility. At its core, our governance practices endeavour to maximize integrity, transparency, ethical practices and accountability in the conduct of business.

Himatsingka continues to focus its resources and capabilities to ensure Corporate Governance practices are current, relevant and sustainable in order to safeguard the interest of stakeholders and strengthen the very foundation and principles on which the Company builds and expands businesses.

2) BOARD OF DIRECTORS (BOARD)

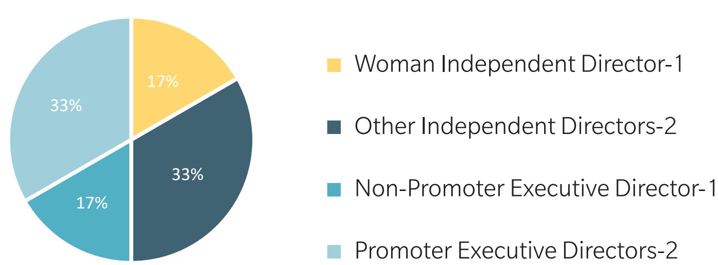
i) Composition and meetings of Board

As on date of the report i.e. Aug 10, 2023, the Board comprises of 6 (Six) Directors, of which 3 (Three) are Independent Directors including one Independent Woman Director, 3 (Three) are Executive Directors out of which 2 (Two) are Promoter Executive Directors. The composition of the Board is in accordance with Regulation 17(1) of Listing Regulations.

The Board Composition was in accordance with the Listing Regulations with half of the Board comprising of Independent Directors. On account of nomination of director by a financial institution owned and controlled by the Government of India, on the Board of the Company with effect from March 9, 2023, the Board consisted of 7 (Seven) directors of which 3 (Three) were Independent Directors including one Independent Woman Director, 3 (Three) were Executive Directors out of which 2 (Two) were Promoter Executive Directors and 1 (One) was a Nominee Director and as a result thereof at least half of the Board did not consist of Independent Directors. The Company received communication from National Stock Exchanges of India Ltd. and BSE Ltd. ("collectively referred as Stock Exchanges") on non-adherence to Board composition criteria laid down in Regulation 17 (1) of Listing Regulations. The Company represented to the Stock Exchanges that a time-period of 3 months should be available to the Company to restore the composition requirement and that the Company ought not to be considered as non-complaint from the date of nomination of director by the financial institution as the appointment of an additional Independent Director, to set right the Board composition is procedure driven and requires time. However, the Stock Exchanges imposed fine of ₹ 1,35,700/- each for the quarter ended March 31, 2023 and the same has been paid by the Company as advised by the Stock Exchanges. The Company has also submitted waiver application with the Stock Exchanges and outcome of the same is awaited. Subsequently, the financial institution withdrew the nomination of Director from the Board on June 28, 2023 and the Board composition is in compliance with Regulation 17(1) of the Listing Regulations.

The composition of Board of Directors as on date of the report is depicted herein below:

Composition of Board as on date of the report i.e. Aug 10, 2023



Directorship & Committee Membership Matrix

The names and categories of the Directors on the Board, number of Directorships and Committee Memberships held by them in other companies and also the No. of shares held by Director, in the Company are given below:

Name	Category#	No. of Directorships held in other companies (Note 1)	No. of Memberships and Chairpersonship in Committees of other public companies (Note 2)		No. of shares held by Directors
			Member	Chairperson	
Mr. D.K. Himatsingka	P, ED	2	Nil	Nil	1,19,02,000
Mr. Shrikant Himatsingka	P, ED	6	Nil	Nil	85,46,964
Mr. S. Shanmuga Sundaram	ED	1	Nil	Nil	–
Mr. Harminder Sahni	NE, I	5	2	1	–
Mrs. Sandhya Vasudevan	NE, I	3	1	Nil	–
Mr. Shyam Powar @	NE, I	4	Nil	Nil	–
Mr. Rajiv Khaitan*	NE, I	5	1	Nil	4,200
Mr. Manish Joshi^	NE, N	Nil	Nil	Nil	–

#P = Promoter, NE = Non-Executive, I = Independent, ED = Executive Director, N = Nominee
@ Appointed as an Independent Director w.e.f May 30, 2023
*Details provided as on the date of Cessation i.e. May 30, 2023
^Details provided as on the date of withdrawal of nomination i.e. June 28, 2023

The Non-Executive Directors are professionals with rich experience in manufacturing, management, finance, law and banking.

None of the Directors on the Board is a member on more than 10 Committees and Chairperson of more than 5 Committees as specified in Regulation 26 of Listing Regulations, across all the listed companies in which he or she is a Director. All the Directors have made the necessary disclosures regarding their Committee positions in other companies as on March 31, 2023.

Notes:

1) For the purpose of considering the limit of directorship, private companies and companies under Section 8 of the Companies Act, 2013 have been included, but foreign companies have been excluded.

2) For the purpose of considering limit of committee membership, private limited companies, foreign companies, high value debt listed entities and companies under section 8 of the Companies Act, 2013 have been excluded. Chairpersonship/Membership of only Audit Committee and Stakeholders' Relationship Committee are considered.

None of the Directors are related to each other, except Mr. D. K. Himatsingka and Mr. Shrikant Himatsingka.

Attendance of Directors during the year 2022-23

The Board meets at regular intervals to discuss and decide on Company/ business policy and strategy.

8 (Eight) Board Meetings were held during the year on the following dates: May 30, 2022; July 22, 2022; August 13, 2022; August 30, 2022; September 26, 2022; November 14, 2022; December 15, 2022; and February 11, 2023.

The time gap between all the Board meetings did not exceed 120 days.

Directors' Attendance Matrix

Name	AGM September	Board Meeting								Held during the year	Attended during the year	Percentage of Attendance
		May 30, 2022	July 22, 2022	August 13, 2022	August 30, 2022	September 26, 2022	November 14, 2022	December 15, 2022	February 11, 2023			
Mr. D.K. Himatsingka	√	√	√	√	√	√	√	√	√	8	8	100.00%
Mr. Shrikant Himatsingka	√	√	√	√	√	LOA	√	√	√	8	7	87.50%
Mr. S. Shanmuga Sundaram @	NA	NA	NA	NA	NA	NA	NA	NA	√	1	1	100.00%
Mr. Harminder Sahni ^	NA	NA	NA	NA	NA	NA	√	√	√	3	3	100.00%
Ms. Sandhya Vasudevan ^	NA	NA	NA	NA	NA	NA	NA	√	√	2	2	100.00%
Mr. Shyam Powar *	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mrs. Sangeeta Kulkarni # (Note 1)	NA	√	√	√	√	NA	NA	NA	NA	4	4	100.00%
Mr. Pradeep Bhargava # (Note 2)	√	√	√	√	√	√	√	NA	NA	6	6	100.00%
Mr. V. Vasudevan # (Note 3)	√	√	√	√	LOA	√	√	√	NA	7	6	85.71%
Mr. Raja Venkataraman # (Note 4)	√	√	√	√	√	√	√	√	NA	7	7	100.00%
Mr. Rajiv Khaitan # (Note 5)	√	√	√	√	√	√	√	√	√	8	8	100.00%
Mr. Manish Joshi (Note 6)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

√– Attended; NA – Not Applicable; LOA – Leave of Absence
^ Appointed as an Independent Director w.e.f. November 14, 2022.
@ Appointed as Whole Time Director w.e.f. December 15, 2022.
*Appointed as an Independent Director w.e.f May 30, 2023

Notes:

1) Ceased to be Independent Director w.e.f. August 30, 2022
2) Ceased to be Independent Director w.e.f. November 14, 2022
3) Ceased to be Non-Executive Director w.e.f. December 15, 2022
4) Ceased to be Independent Director w.e.f. January 02, 2023
5) Ceased to be Independent Director w.e.f. May 30, 2023
6) Export-Import Bank of India (Lender) ("EXIM") nominated Mr. Joshi as a Director on the Board from March 9, 2023. Subsequently, EXIM withdrew his nomination from June 28, 2023. No board meetings were held during his tenure in the financial year.

Stepped down as Director due to pre-occupation with own business and paucity of time and confirmed that there were no other material reasons for such resignation.

ii) Directorship in other Listed Companies

Name of Director	Category	Name of the Listed Company
Mr. Harminder Sahni	Independent Director	Praxis Home Retail Limited
Ms. Sandhya Vasudevan	Independent Director	TTK Prestige Limited
Mr. Shyam Powar	Independent Director	Taal Enterprises Limited
Mr. Rajiv Khaitan	Independent Director	Emami Limited

iii) Board of Directors – Competency matrix

Name of the Director	Textile Industry experience	Factory Operations and processes	Broad management perspective and experience	Interpretation of Financial Statements	Thorough Legal expertise involving corporate law, contracts	Risk Management
Mr. D.K. Himatsingka	√	√	√	√	√	√
Mr. Shrikant Himatsingka	√	√	√	√	√	√
Mr. S. Shanmuga Sundaram	√	√	√	–	–	√
Mr. Harminder Sahni	√	√	√	√	√	√
Ms. Sandhya Vasudevan	–	–	√	√	√	√
Mr. Shyam Powar	–	√	√	√	√	√
Mr. Rajiv Khaitan	–	–	√	√	√	√
Mr. Manish Joshi	–	–	√	√	–	√

On the basis of the declarations received from each of the Independent Directors, the Board hereby confirms that the Independent Directors of the Company fulfils the conditions specified in the Listing Regulations and are independent of the management.

iv) Code of Conduct

In compliance with Regulation 26(3) of the Listing Regulations and the Companies Act, 2013 the Company has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The code is posted on the website of the Company: https://himatsingka.com/investors/corporate-governance

During the year, information as required under Schedule II part A of Regulation 17 of Listing Regulations has been placed to the Board for its consideration.

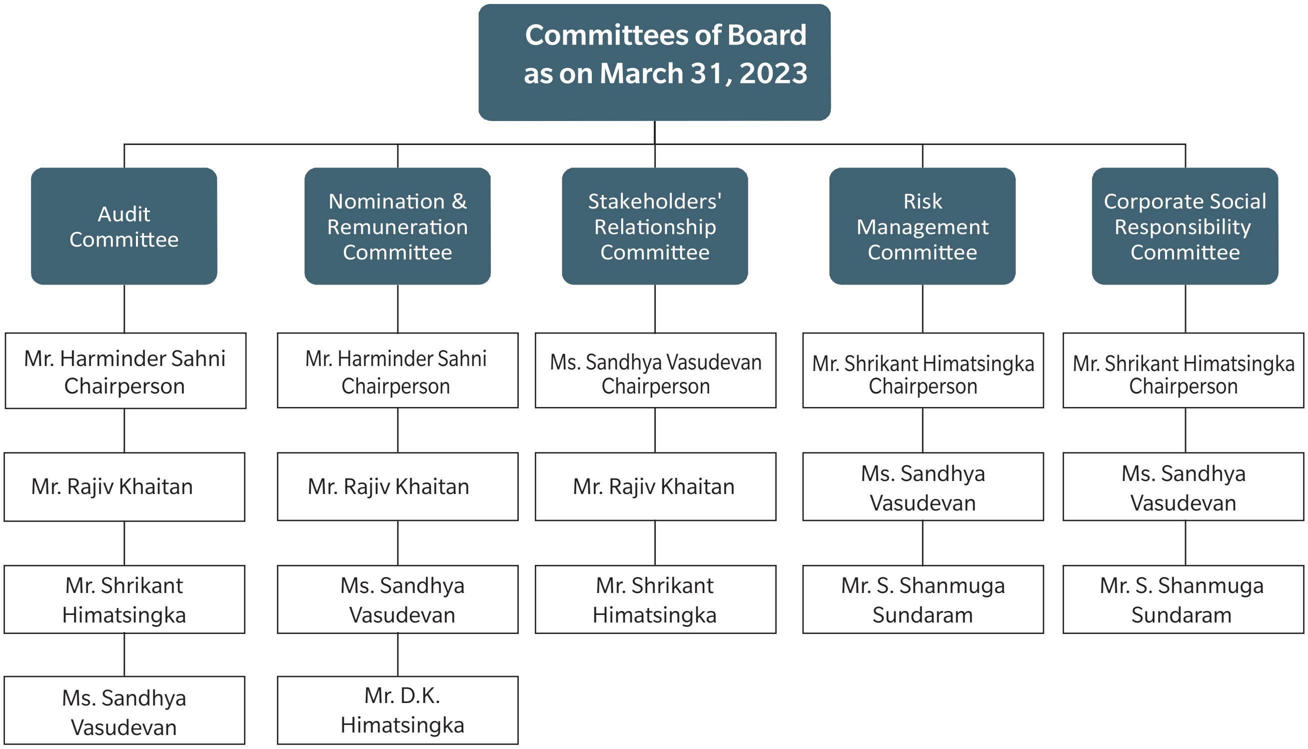
v) Familiarization Programme and Training

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. In addition, presentations are made at the Board and Committee Meetings on the performance of the Company along with subsidiaries and quarterly updates on relevant statutory changes. All new Independent Directors are taken through a detailed induction and familiarisation programme which covers the culture of Himatsingka and various milestones since the Company's incorporation. The details of familiarization programme for Independent Directors are posted on the website of the Company: https://himatsingka.com/investors/corporate-governance

vi) Re-appointment of Directors

In terms of Section 152 of the Companies Act 2013, Mr. S. Shanmuga Sundaram, Director (DIN: 09816120) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for appointment. The Nomination & Remuneration Committee and Board at their meeting held on August 10, 2023 has approved and recommended re-appointment of Mr. S. Shanmuga Sundaram, Director, and for approval of the Shareholder.

3) COMMITTEES OF BOARD



i) Audit Committee

As on date of the report i.e. Aug 10, 2023, the Audit Committee comprised of 3 (Three) Independent Directors namely Mr. Harminder Sahni, Ms. Sandhya Vasudevan, Mr. Shyam Powar and Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director. Mr. Harminder Sahni is the Chairperson of the Committee. Audit Committee Composition as on March 31, 2023 is presented above under point 3.

The constitution of the Committee is in conformation with the requirements under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes; efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;

The role / functions of the Audit Committee include the following:

Sl. No.	Role / Functions
1.	The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
2.	Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
3.	Examination of the financial statement and the Auditors' report thereon;
4.	Approval or any subsequent modification of transactions of the company with related parties;
5.	Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
6.	Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

7.	Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to: a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause of sub-section 3 of section 134 of the Companies Act, 2013; b) Changes, if any, in accounting policies and practices and reasons for the same c) Major accounting entries involving estimates based on the exercise of judgment by management d) Significant adjustments made in the financial statements arising out of audit findings e) Compliance with listing and other legal requirements relating to financial statements f) Disclosure of any related party transactions g) Qualifications in the draft Audit Report
8.	Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
9.	Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
10.	Review and monitor the auditor's independence and performance, and effectiveness of audit process;
11.	Approval or any subsequent modification of transactions of the company with related parties;
12.	Scrutiny of inter-corporate loans and investments;
13.	Valuation of undertakings or assets of the Company, wherever it is necessary;
14.	Evaluation of internal financial controls and risk management systems;
15.	Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
16.	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
17.	Monitoring the end use of funds raised through public offers and related matters.
18.	Discussion with Internal Auditors of any significant findings and follow up there on;
19.	Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
20.	Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
21.	To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
22.	To review the functioning of the Whistle Blower mechanism;
23.	Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
24.	To review the utilization of loans and/ or advances from/investment by the company in its subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
25.	To consider and comment on rationale, cost benefits and impact of schemes including merger, demerger, amalgamation etc. on the listed entity and its shareholders;
26.	To review the financial statements and investments made by unlisted subsidiaries of the Company;
27.	Review of Compliance with Company's Insider Trading Policy;
28.	To review management discussion and analysis of financial condition and results of operations;
29.	To review management letters/ letters of internal control weaknesses issued by the statutory auditors;
30.	To review internal audit reports relating to internal control weaknesses;
31.	To review the appointment, removal and terms of remuneration of the chief internal auditor
32.	To review statement of deviations: a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Attendance of the Directors at the Audit Committee Meetings held:

During the year 2022-23, the Audit Committee met six times on the following dates: May 30, 2022; July 22, 2022; August 13, 2022; August 30, 2022; November 14, 2022 and February 11, 2023. The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting. The Chairperson of the Committee was present in all the meetings held. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings						Held during the year	Attended during the year	Percentage of Attendance
		30.05.22	22.07.22	13.08.22	30.08.22	14.11.22	11.02.23			
Mr. Harminder Sahni	Chairperson w.e.f. 03.02.23	NA	NA	NA	NA	NA	√	1	1	100%
Mr. Raja Venkataraman	Chairperson till 02.01.23	√	√	√	√	√	NA	5	5	100%
Ms. Sandhya Vasudevan	Member w.e.f. 03.02.23	NA	NA	NA	NA	NA	√	1	1	100%
Mr. Shrikant Himatsingka	Member w.e.f. 03.02.23	NA	NA	NA	NA	NA	√	1	1	100%
Mr. Shyam Powar	Member w.e.f. 30.05.23	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Rajiv Khaitan	Member till 30.05.23	√	√	√	√	√	√	6	6	100%
Mr. Pradeep Bhargava	Member till 14.11.22	√	√	√	√	√	NA	5	5	100%

√Attended; NA- Not Applicable

Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director, Permanent Invitee to the Committee attended all the meetings held during the year. Subsequently, he was inducted as a member in the Committee w.e.f. February 03, 2023.

Notes:

Chairman of the Audit Committee attended the last Annual General Meeting. The Statutory Auditor, Internal Auditor, and the Chief Financial Officer were invited to attend and participate at meetings of the Committee.

ii) Nomination and Remuneration Committee

As on date of the report i.e. Aug 10, 2023, the Nomination and Remuneration Committee comprised of 3 (Three) Independent Directors namely Mr. Harminder Sahni, Ms. Sandhya Vasudevan, Mr. Shyam Powar and Mr. D. K. Himatsingka, Executive Chairman. Mr. Harminder Sahni is the Chairperson of the Committee. Nomination and Remuneration Committee Composition as on March 31, 2023 is presented above under point 3.

The constitution of the Committee is in conformation with the requirements under Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The role / functions of the Nomination and Remuneration Committee includes the following:

Sl. No.	Role/ Functions
1.	Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
2.	Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
3.	For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
4.	Formulation of criteria for evaluation of performance of independent directors and the board of directors
5.	Devising a policy on diversity of board of directors
6.	Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
7.	Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
8.	Recommend to the board, all remuneration, in whatever form, payable to senior management

The annual compensation of the Executive Directors is approved by the Committee within the parameters set by the shareholders at their meetings. The Committee has devised a Nomination and Remuneration Policy in line with the requirements under the Companies Act, 2013 and Listing Regulations, which includes performance evaluation criteria for Independent Directors,Board and Committees of the Board. The minutes of the meetings of the Nomination and Remuneration Committee are placed before the Board of Directors in the subsequent Board Meeting. The Chairperson of the Committee was present in all the meetings held.

Attendance of the Directors at the Nomination and Remuneration Committee Meetings held:

During the year 2022-23, the Committee met four times on May 30, 2022; August 30, 2022; November 5, 2022 and December 15, 2022. The Committee also transacts urgent businesses by the way of Resolution by Circulation. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings				Held during the year	Attended during the year	Percentage of Attendance
		30.05.20222	30.08.2022	05.11.2022	15.12.2022			
Mr. Harminder Sahni	Chairperson w.e.f. 14.11.2022	NA	NA	NA	√	1	1	100%
Mr. Pradeep Bhargava	Chairperson till 14.11.2022	√	√	√	NA	3	3	100%
Ms. Sandhya Vasudevan	Member w.e.f. 15.12.2022	NA	NA	NA	NA	NA	NA	NA
Mr. D.K. Himatsingka	Member w.e.f. 11.02.2023	NA	NA	NA	NA	NA	NA	NA
Mr. Shyam Powar	Member w.e.f. 30.05.2023	NA	NA	NA	NA	NA	NA	NA
Mrs. Sangeeta Kulkarni	Member till 30.08.2022	√	√	NA	NA	2	2	100%
Mr. Raja Venkataraman	Member w.e.f. 30.08.2022 till 14.11.2022	NA	√	√	NA	2	2	100%
Mr. V. Vasudevan	Member w.e.f. 14.11.2022	NA	NA	NA	√	1	1	100%
Mr. Rajiv Khaitan	Member till 30.05.2023	√	√	√	√	4	4	100%

√- Attended; NA- Not Applicable

Notes:

Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting. The terms of reference of the Committee are also provided in the Nomination and Remuneration Policy and the same is available on the website of the Company at https://himatsingka.com/investors/corporate-governance

Remuneration of Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Executive Directors. For Non-Executive Directors, the Company pays sitting fees for attending the meetings of Board and its Committees thereof and Commission at the end of the financial year. The remuneration is closely linked to the performance of the Company.

Given below are the details of Directors Remuneration during the financial year 2022-23 **(₹ in Lacs)**

Name	Sitting fees	Salaries and perquisites	Profit linked Commission	Total
Mr. D.K. Himatsingka	Nil	141.52	Nil	141.52
Mr. Shrikant Himatsingka	Nil	137.01	Nil	137.01
Mr. Rajiv Khaitan ^ #	9.50	Nil	10.00	19.50
Mr. Harminder Sahni ^	2.50	Nil	10.00	12.50
Ms. Sandhya Vasudevan ^	2.00	Nil	10.00	12.00
Mr. Pradeep Bhargava ^	8.00	Nil	10.00	18.00
Mr. Raja Venkataraman ^	7.50	Nil	10.00	17.50
Mrs. Sangeeta Kulkarni ^	3.50	Nil	5.00	8.50
Mr. V. Vasudevan ^	4.00	Nil	Nil	4.00
Mr. S. Shanmuga Sundaram ^	Nil	11.73	Nil	11.73

^ Not on the Board of the Company for the full Financial Year 2022-23 and Remuneration details for the period of association.
# Paid to Khaitan and Co. LLP

The Contract tenures of the Executive Directors are as follows:

Sl. No.	Name	Tenure
1.	Mr. D.K. Himatsingka	From June 1, 2023 to May 31, 2028
2.	Mr. Shrikant Himatsingka	From June 1, 2023 to May 31, 2028
3.	Mr. S. Shanmuga Sundaram	From December 15, 2022 to December 14, 2024

The following represent the details of transactions entered by the Company where the Non-Executive Directors are interested. The same does not exceed the threshold limits enunciated in Section 149(6) of the Companies Act 2013.

(₹ in Lacs)

Name of the Director	Purpose	Amount
Mr. Rajiv Khaitan	Professional fees paid to M/s. Khaitan & Co. LLP	33.08
Mr. V. Vasudevan	Professional fees paid	18.00

Mr. Rajiv Khaitan is a senior partner of M/s. Khaitan & Co., LLP, Solicitors and Advocates who has professional relationship with the Company.

Criteria for making payments to Non-Executive Directors:

In view of the operating performance of the Company during the year, payment of Commission to Non-Executive Directors have been made pursuant to the Section 197 read with Schedule V of the Companies Act, 2013.

Performance Evaluation Criteria for Independent Directors:

Performance Evaluation of Independent Directors is based on criteria such as significant understanding and knowledge of the entity and the sector in which company operates, ability to function as an effective team- member, availability for meetings of the Board and attendance at the meetings, effective contribution to the entity and in the Board meetings, independence from the entity and the other directors and there being no conflict of interest, etc.

iii) Stakeholders' Relationship Committee

As on date of the report i.e. Aug 10, 2023, the Stakeholders' Relationship Committee comprised of 1 (One) Independent Director namely Ms. Sandhya Vasudevan, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director and Mr. S. Shanmuga Sundaram, Executive Director- Manufacturing Operations (Group). Ms. Sandhya Vasudevan is the Chairperson of the Committee. Stakeholders' Relationship Committee Composition as on March 31, 2023 is presented above under point 3.

Mr. M. Sridhar, General Manager – Corporate Compliance & Company Secretary, is designated as the Compliance officer of the company.

The constitution of the Committee is in conformation with the requirements under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The role / functions of the Stakeholders' Relationship Committee include the following:

Sl. No.	Role / Functions
1.	Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2.	Review of measures taken for effective exercise of voting rights by shareholders.
3.	Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4.	Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.

Attendance of the Directors at the Stakeholders' Relationship Committee Meetings held:

During the year 2022-23, the Committee met four times on May 30, 2022; August 13, 2022; November 14, 2022 and February 11, 2023. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings				Held during the year	Attended during the year	Percentage of Attendance
		30.05.2022	13.08.2022	14.11.2022	11.02.2023			
Ms. Sandhya Vasudevan	Chairperson w.e.f. 15.12.2022	NA	NA	NA	√	1	1	100%
Mr. V. Vasudevan	Chairperson w.e.f. 30.08.2022 till 15.12.2022	NA	NA	√	NA	1	1	100%
Mrs. Sangeeta Kulkarni	Chairperson till 30.08.2022	LOA	√	NA	NA	2	1	50%
Mr. Shrikant Himatsingka	Member w.e.f. 15.12.2022	NA	NA	NA	√	1	1	100%
Mr. S. Shanmuga Sundaram	Member w.e.f. 30.05.2023	NA	NA	NA	NA	NA	NA	NA
Mr. D.K. Himatsingka	Member till 15.12.2022	√	√	√	NA	3	3	100%
Mr. Rajiv Khaitan	Member till 30.05.2023	√	√	√	√	4	4	100%

√- Attended; NA- Not Applicable; LOA- Leave of Absence

Chairperson of the Stakeholders' Relationship Committee was present at the last Annual General Meeting. The minutes of the Stakeholders' Relationship Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Complaints received from Investors during the year:

Nature of Complaints	Received	Cleared
Non-receipt of Annual Report	8	8
Non-receipt of dividend warrants	93	93
Non-receipt of securities	6	6
Complaints received through SEBI	0	0
Others	0	0
TOTAL	**107**	**107**

The Company attended to most of the investors' grievances/ correspondence within seven days from the date of receipt of the same during the year 2022-23 and there were no complaints remaining unresolved at the end of the year.

iv) Corporate Social Responsibility Committee

As on date of the report i.e. Aug 10, 2023, the Corporate Social Responsibility Committee comprised of 1 (One) Independent Director namely Ms. Sandhya Vasudevan, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director, Mr. D.K. Himatsingka, Executive Chairman and Mr. S. Shanmuga Sundaram, Executive Director - Manufacturing Operations (Group). Mr. Shrikant Himatsingka is the Chairperson of the Committee. Corporate Social Responsibility Composition as on March 31, 2023 is presented above under point 3.

The roles/ functions of the Corporate Social Responsibility Committee includes the following:

Sl. No.	Roles/ Functions
1.	Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013.
2.	Recommend the amount of expenditure to be incurred on the Corporate Social activities.
3.	Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The company has identified three thrust area namely Health, Education and community development. The details of CSR activities during the year are given in the Board's Report forming part of the Annual Report.

The constitution of the Committee is in conformation with the requirements under Section 135 of the Companies Act, 2013.

Attendance of the Directors at the Corporate Social Responsibility Committee Meetings held:

During the year 2022-23 the committee met two times on August 30, 2022 and February 11, 2023. The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The Chairperson of the Committee was present in all the meetings. The attendance of the members for the year 2022-23 is as under:

Name of the Director	Position	Date of Committee Meetings		Held during the year	Attended during the year	Percentage of Attendance
		30.08.2022	11.02.2023			
Mr. Shrikant Himatsingka	Chairperson w.e.f. 15.12.2022 (Member since 11.02.2015)	√	√	2	2	100%
Mr. D.K. Himatsingka	Chairperson till 15.12.2022 (Member since 30.05.2023)	√	NA	1	1	100%
Ms. Sandhya Vasudevan	Member w.e.f. 14.11.2022	NA	√	1	1	100%
Mr. S. Shanmuga Sundaram	Member w.e.f. 15.12.2022	NA	√	1	1	100%
Mrs. Sangeeta Kulkarni	Member till 30.08.2022	√	NA	1	1	100%
Mr. Raja Venkataraman	Member till 14.11.2022	√	NA	1	1	100%

√- Attended; NA- Not Applicable

The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The CSR committee initiatives are available on our website at https://www.himatsingka.com/sustainability/corporate-social-responsibility.

v) Risk Management Committee

As on date of the report i.e. Aug 10, 2023, the Risk Management Committee comprised of 1 (One) Independent Director namely Ms. Sandhya Vasudevan, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director and Mr. S. Shanmuga Sundaram, Executive Director- Manufacturing Operations (Group). Mr. Shrikant Himatsingka is the Chairperson of the Committee. Risk Management Committee Composition as on March 31, 2023 is presented above under point 3.

The roles / functions of the Risk Management Committee includes the following:

Sl. No.	Roles/ Functions
1.	Formulate a detailed risk management policy which shall include: a) A framework for identification of internal and external risks specifically faced by the Company. b) Measures for risk mitigation including systems and processes for internal control of identified risks. c) Business continuity plan.
2.	Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3.	Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4.	Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5.	Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6.	The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Attendance of the Directors at the Risk Management Committee Meetings held:

During the year two meetings of the Committee were held on July 22, 2022 and January 12, 2023. The attendance of the members for the year 2022-23 is as under:

Name of the Director	Position	Date of Committee Meetings		Held during the year	Attended during the year	Percentage of Attendance
		22.07.2022	12.01.2023			
Mr. Shrikant Himatsingka	Chairperson w.e.f 14.11.2022 (Member since 28.07.2009)	√	LOA	2	1	50%
Mr. Pradeep Bhargava	Chairperson till 14.11.2022	√	NA	1	1	100%
Ms. Sandhya Vasudevan	Member w.e.f. 14.11.2022	NA	√	1	1	100%
Mr. Shanmuga Sundaram	Member w.e.f. 15.12.2022	NA	√	1	1	100%
Mr. Raja Venkataraman	Member till 14.11.2022	√	NA	1	1	100%
Mr. V. Vasudevan	Member till 15.12.2022	√	NA	1	1	100%

√- Attended; NA – Not Applicable; LOA – Leave of Absence

Notes:

The minutes of Risk Management Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

vi) Share Transfer Committee

As on March 31, 2023, the Share Transfer Committee comprised of 3 members namely Mr. D. K. Himatsingka, Executive Chairman, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director and Mr. S. Shanmuga Sundaram, Executive Director- Manufacturing Operations (Group). Mr. D.K. Himatsingka is the Chairperson of the Committee. As on date of the report i.e. Aug 10, 2023, there is no change in composition of committee.

The roles/ functions of the Share Transfer Committee as delegated by the Board includes the following:

Sl. No.	Roles/ Functions
1.	Approve various investor's service requests including transfer/ transmission of securities, transposition, issue of duplicate share certificates, Sub- division/ Splitting of securities, Consolidation of securities, dematerialization and rematerialisation of shares.
2.	Noting of status of dematerialization and rematerialisation of equity shares of the Company.

Attendance of the Directors at the Share Transfer Committee Meetings held:

During the year 2022-23, the Committee met three times on June 16, 2022; June 28, 2022; and February 22, 2023. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings				Held during the year	Attended during the year	Percentage of Attedance
		16.06.2022	28.06.2022	22.02.2023	2.03.2023			
Mr. D.K. Himatsingka	Member	√	√	√	√	4	4	100%
Mr. Shrikant Himatsingka	Member	√	√	√	√	4	4	100%
Mr. S. Shanmuga Sundaram	Member w.e.f. 15.12.2022	NA	NA	√	√	2	2	100%
Mr. V. Vasudevan	Member till 15.12.2022	√	√	NA	NA	2	2	100%

√- Attended; NA- Not Applicable

Mr. D.K. Himatsingka was elected as Chairperson of the Share Transfer Committee w.e.f. December 15, 2022. The committee meets at regular intervals to review and approve matters delegated by the Board.

Share Transfer System

Share transfers are registered and returned within a period of 10/30 days from the date of receipt if the documents are in order. The Company obtains from a Company Secretary in Practice Yearly certificate of compliance with the share transfer formalities as per Regulation 40(9) of Listing Regulations and files a copy of the certificate with the Stock Exchanges.

There were no requests for transfers of shares during the period.

vii) Finance and Investment Committee:

As on date of the report i.e. Aug 10, 2023, the Finance and Investment Committee comprised of 1 (One) Independent Director namely Mr. Shyam Powar, Mr. D. K. Himatsingka, Executive Chairman and Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director.

As on March 31, 2023, the Finance and Investment Committee comprised of 1 (One) Independent Director namely Mr. Rajiv Khaitan, Mr. D. K. Himatsingka, Executive Chairman and Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director.

The Members elect the Chairperson of the Committee for every meeting.

The roles / functions of the Finance and Investment Committee as delegated by the Board include the following:

Sl. No.	Roles/ Functions
1.	Approve availing of credit/ financial facilities of any description from Banks/ Financial Institutions/ Bodies Corporate not exceeding ₹ 200 crores.
2.	Approve providing security of moveable and immovable properties of the Company to Banks or Financial Institutions arising in connection with any loan facility availed/ to be availed by the Company/ Subsidiaries.
3.	Amendment or modification of powers and changes in authorized signatories in connection with any facility availed from Banks/ Financial Institutions within the facility limits approved by the Board.
4.	Open/ close Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks, authorizing signatories to operate such Bank accounts including availing such other services like phone banking, internet banking etc., which the 'Committee' may consider necessary and expedient.

Attendance of the Directors at the Finance and Investment Committee Meetings held:

During the year 2022-23, the Committee met three times on May 30, 2022; July 13, 2022 and January 24, 2023. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings			Held during the year	Attended during the year	Percentage of Attendance
		30.05.2022	13.07.2022	24.01.2023			
Mr. D.K. Himatsingka	Member	√	√	√	3	3	100%
Mr. Shrikant Himatsingka	Member	√	√	√	3	3	100%
Mr. Shyam Powar	Member w.e.f. 30.05.2023	NA	NA	NA	NA	NA	NA
Mr. Rajiv Khaitan	Member till 30.05.2023	√	√	√	3	3	100%

√- Attended; NA- Not Applicable

The minutes of Finance and Investment Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The committee meets at regular intervals to review and approve matters delegated by the Board.

viii) Securities Allotment Committee:

The Board at its Meeting held on December 15, 2022 approved the constitution of a Securities Allotment Committee with respect to issue of Foreign Currency Convertible Bonds and Non-Convertible Debentures.

As on March 31, 2023, the Securities Allotment Committee comprised of 1 (One) Independent Director namely Mr. Harminder Sahni, Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director and Mr. S. Shanmuga Sundaram, Executive Director- Manufacturing Operations (Group). Mr. Shrikant Himatsingka is the Chairperson of the Committee. As on date of the report i.e. Aug 10, 2023, there is no change in composition of committee.

The roles/ functions of the Securities Allotment Committee as delegated by the Board include the following:

Sl.	Roles/Functions
1.	Monitor and review the developments of the issue.
2.	Finalising the key terms of the issue.
3.	Considering and approving the draft transaction documents.
4.	Appointing Various Intermediaries/Agencies as may be required.
5.	Issuance and allotment of the securities and conversion thereof, where applicable.
6.	Authorisation for appointment of Depositories, Register and Transfer Agent and completion of corporate actions with depositories.
7.	Enter into various agreements/Memorandum of Understanding, deeds as may be required.
8	Authorize opening, operating & closure of various Bank account(s) for the purpose of the issue.
9.	All other actions as may be necessitated from time to time for the transaction.
10.	All the powers which otherwise is exercisable by the Board at a meeting thereof in respect of matters concerning the prospective transaction involving issuance of Securities/Debentures.
11.	Taking of all other actions as may be necessitated from time to time for proposed issuance including making necessary applications, representations, and regulatory filings, providing waivers and consents, issuing certifications and certificates, issuing offer letters;
12.	Negotiate, finalize and execute all transaction documents or other documents and amendments in respect of the proposed Issue of Debentures/FCCBs, including without limitation, debenture trust deed, private placement offer letter(s), debenture trustee appointment agreement, fee letters and any security documents for creation of securities to secure the issue in the manner set out in the transaction documents; and
13.	Creation of Securities/Charges on the Assets on Company for providing Security for issuing Securities;
14.	Approve appointment of custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to consider the application forms, approve the allotment of Securities to the subscribers as it may deem fit and authorise officials of the Company to do all such acts, deeds, matters and things as may be required for the purpose of issuing and allotting of the Securities/ Debentures

Attendance of the Directors at the Securities Allotment Committee Meetings held:

During the year 2022-23, the Committee met three times on February 8, 2023; March 21, 2023 and March 31, 2023. The attendance of the members for the year 2022-23 is as under:

Name of Director	Position	Date of Committee Meetings			Held during the year	Attended during the year	Percentage of Attendance
		08.02.2023	21.03.2023	31.03.2023			
Mr. Shrikant Himatsingka	Chairperson	√	√	√	3	3	100%
Mr. Harminder Sahni	Member	√	√	√	3	3	100%
Mr. Shanmuga Sundaram	Member	√	√	√	3	3	100%

√- Attended

The minutes of Securities Allotment Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The committee meets at regular intervals to review and approve matters delegated by the Board.

Resolution by Circulation:

Pursuant to Section 175 of Companies Act, 2013 read with the Secretarial Standard (SS)-1, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

During the period under review, resolutions were passed by Board by way of Circular Resolutions dated October 26, 2022, April 12, 2023 and May 4, 2023.

Further, resolutions were passed by Audit Committee by way of Circular Resolution dated February 3, 2023.

Compliance Officer

Mr. M. Sridhar, General Manager- Corporate Compliance & Company Secretary, acts as the Secretary to all Board and Committee meetings.

4) SENIOR MANAGEMNET

Details of Senior Management including changes therein during FY 2022-23 are provided below:

Name	Designation
S. Shanmuga Sundaram *	Executive Director – Manufacturing Operations (Group)
Akanksha Himatsingka	CEO – International Operations (Home Textiles)
Major (Retd.) Kumud Kumar	President – HR & Group CHRO
Ganapathy CB	President – Corporate Affairs & Group General Counsel
K P Rangaraj #	President – Finance & Group CFO
Manu Kapur	President – Business Development (Group)
Brain Delp	President – Sales & Global Licensing (North America)
Jayshree Poddar	Head – Design (Drapery and Upholstery Division)
Maria Alapatt	Vice President – Marketing (Drapery and Upholstery Division)
M. Sridhar	General Manager – Corporate Compliance & Company Secretary

*S. Shanmuga Sundaram was earlier designated as President – Manufacturing Operations (Group). w.e.f. December 15, 2022, he has been appointed as an Executive Director of the Company.

#K.P. Rangaraj superannuated from the services of the Company w.e.f. March 15, 2023.

5) GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held through OAVM facility on the following dates and time:

Date	Year	Time	Venue	No. of special Resolutions passed	Meeting held Physical/ OAVM *
September 28, 2022	2021-22	11:00 a.m.	Registered Office of the Company 10/24, Kumara Krupa Road, High Grounds, Bangalore-560 001	0	OAVM
August 28,2021	2020-21	11.30 a.m.	Registered Office of the Company 10/24, Kumara Krupa Road, High Grounds, Bangalore-560 001	2	OAVM
September 29, 2020	2019-20	11.30 a.m.	Registered Office of the Company 10/24, Kumara Krupa Road, High Grounds, Bangalore-560 001	1	OAVM

*Other Audio-Visual Means

Postal Ballot

During the period under review following resolutions were passed through Postal Ballot:

1) Postal Ballot Notice dated December 15, 2022:

Type of Resolution	Resolutions	Voting Results	
		Votes cast in favour	Votes cast against
Special Resolution	Approval of the Borrowing limits under section 180(1)(c) of the Companies Act, 2013.	93.23%	6.77%
Special Resolution	Approval of the creation of charges, mortgages, hypothecation and security interest on the assets of the company under section 180(1)(a) of the Companies Act, 2013.	99.91%	0.09%
Special Resolution	Approval of the issuance of securities.	99.99%	0.01%
Special Resolution	Appointment of Mr. Harminder Sahni (DIN: 00576755) as an Independent Director of the company.	89.74%	10.26%
Special Resolution	Appointment of Ms. Sandhya Vasudevan (DIN: 00372405) as an Independent Director of the company.	99.99%	0.01%
Ordinary Resolution	Appointment of Mr. S. Shanmuga Sundaram (DIN: 09816120) as a whole-time director designated as Executive Director-Manufacturing Operations (Group) of the company.	97.14%	2.86%

The Board of Directors had appointed Mr. Prakash Kamath, a Practicing Company Secretary, to act as the Scrutinizer for the Postal Ballot process.

In compliance with Circulars issued by the Ministry of Corporate Affairs, the Postal Ballot Notice dated December 15, 2022 was being sent through electronic mode to those members whose names appeared in the Register of Members/ List of Beneficial Owners and whose e-mail addresses are registered with the Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited ("KFintech") and the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited as on the cut-off date i.e. Friday, December 09, 2022.

The voting period commenced on Saturday, December 17, 2022 at 9:00 A.M. (IST) and ended on Sunday, January 15, 2023 at 5:00 P.M. (IST). The above resolutions were passed by requisite majority on January 15, 2023.

2) Postal Ballot Notice dated May 30, 2023:

Type of Resolution	Resolutions	Voting Results	
		Votes cast in favour	Votes cast against
Special Resolution	Approval for re-appointment of Mr. D. K. Himatsingka as Executive Chairman	99.92%	0.08%
Special Resolution	Approval for payment of remuneration to Mr. D.K. Himatsingka as Executive Chairman	99.47%	0.53%
Special Resolution	Approval for re-appointment of Mr. Shrikant Himatsingka designated as Executive Vice Chwirman & Managing Director	99.92%	0.08%
Special Resolution	Approval for payment of remuneration to Mr. Shrikant Himatsingka designated as Executive Vice Chairman & Managing Director of the company	99.47%	0.53%
Special Resolution	Approval for appointment of Mr. Shyam Powar as an independent director of the company	99.97%	0.03%

The Board of Directors had appointed Mr. Prakash Kamath, Practising Company Secretary, failing him Mr. Pramod S, Practicing Company Secretary to act as the Scrutinizer for the Postal Ballot process.

In compliance with Circulars issued by the Ministry of Corporate Affairs, the Postal Ballot Notice dated May 30, 2023 was being sent through electronic mode to those members whose names appeared in the Register of Members/ List of Beneficial Owners and whose e-mail addresses are registered with the Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited ("KFintech") and the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited as on the cut-off date i.e. Friday, June 16, 2023.

The voting period commenced on Thursday, June 22, 2023 at 9:00 A.M. (IST) and ended on Friday, July 21, 2023 at 5:00 P.M. (IST). The above resolutions were passed by requisite majority on July 21, 2023.

Further, as on date of the report i.e. Aug 10, 2023, no Resolutions are proposed to be passed through postal ballot.

6) MEANS OF COMMUNICATION

- The relevant information relating to the Directors who would be appointed/re-appointed at the ensuing Annual General Meeting is given in the Notice convening the ensuing Annual General Meeting.
- The Quarterly, Half yearly, Nine monthly and Annual Financial Results of the Company are intimated to stock exchange immediately after they are approved by the Board and were published in Business Standard, – English Newspaper, and Vartha Bharati – Kannada newspaper, Bengaluru.
- The financial results, press releases, institutional investors and analysts meets are displayed on our website https://www.himatsingka.com
- Reminders for unclaimed dividend are sent to the shareholders, as per records, before transferring the unclaimed dividend to Investor Education Protection Fund.
- The Company has designated investors@himatsingka.com as the designated exclusive email-id, for redressal of investor grievances.

7) CODE FOR PREVENTION OF INSIDER TRADING

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), the Company has adopted a code of conduct for Prevention of Insider Trading in the shares of the Company. The Code, inter-alia, prohibits the designated persons/insiders to trade in shares of the Company while in possession of unpublished price sensitive information in relation to the Company. The Company also has adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and the same is available at the Company's website: https://www.himatsingka.com/investors/corporate-governance

As per the amendment to SEBI (Prohibition of Insider Trading) Regulation, 2015 dated July 17, 2020, the Company is required to maintain digital database pertaining to Unpublished Price Sensitive Information (UPSI). In compliance thereof, the company has obtained services of KFin Technologies Limited to maintain the database and monitor insider trading transactions by designated persons through their proprietary insider trading tool.

8) CEO/CFO CERTIFICATION

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) or the person heading and discharging the finance function of the Company, provide quarterly and annual certification of the financial statements to the Board, as required under Regulation 33 and Schedule II Part B of Listing Regulations.

9) RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified Practicing Company Secretary carries out quarterly Reconciliation of Share Capital audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

10) COMPLIANCE CERTIFICATE

a) The certificate regarding compliance of the conditions of corporate governance obtained from Pramod S, Practicing Company Secretary (COP No. 13335) as stipulated under Schedule V(E) of the Listing Regulations is attached to this Report.

b) Certificate from Mr. Vivek Manjunath Bhat, Practicing Company Secretary (COP No. 8426) affirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this report.

11) TOTAL FEES PAID TO STATUTORY AUDITORS BY THE COMPANY AND ITS SUBSIDIARIES

The details of total fees paid to Statutory Auditors of the Company during the year 2022-23, for all services availed by the Company and its subsidiaries, on a consolidated basis, and all entities in the network firm/network entity of which the statutory auditor is a part are enumerated below:

(₹ in Lacs)

Sl. No	Name of the Company	Nature of Services	Amount paid
1.	Himatsingka Seide Limited	Statutory Audit Fees	72.00
2.	Himatsingka Seide Limited	Other Services	2.50
3.	Himatsingka Wovens Private Limited	Statutory Audit Fees	1.00
4.	Himatsingka America Inc.	Audit Fees	10.00
	Total		**85.50**

12) COMPLIANCE OFFICER

The name and designation of the Compliance Officer of the Company: Mr. M. Sridhar, General Manager – Corporate Compliance & Company Secretary; Contact details: T: +91 80 42578000; F: +91 80 4147 9384; E: investors@himatsingka.com

13) DISCLOSURES

i) Subsidiary Companies

- The Company has 2 (two) wholly owned subsidiaries namely Himatsingka Wovens Pvt. Ltd. and Himatsingka Holdings NA Inc. and 1 (one) Step down Wholly owned subsidiary namely Himatsingka America Inc. Out of these, two are Material Subsidiaries as per the definition of "material subsidiary as defined under the Listing Regulations namely Himatsingka Holdings NA Inc and Himatsingka America Inc.
- During the year under review, the Company had appointed one Independent Director each in the Board of the abovementioned Material Subsidiaries.
- The Audit Committee of the Company reviews the financial statements and in particular the investments made by unlisted subsidiaries of the Company

The minutes of the Board meetings of unlisted subsidiaries are periodically placed before the Board of the Company. The Board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiaries of the Company.

Details Regarding material Subsidiaries:

Name of material subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
Himatsingka Holdings NA Inc	April 20, 2004	United States of America.	NA	NA
Himatsingka America Inc.	August 1, 2015	United States of America.	NA	NA

The web link for the policy for determining the material subsidiaries is https://himatsingka.com/investors/corporate-governance

ii) Related party transactions

The statutory disclosure requirements relating to related party transactions have been complied within the Annual Accounts. There were no material transactions during the year 2022-23 that are prejudicial to the interest of the Company.

The web link for the policy for determining the policy on dealing with related party transactions is https://himatsingka.com/investors/corporate-governance

iii) Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2022-23.

iv) Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations the Company has framed a Vigil Mechanism/ Whistle Blower Policy and the same has also been placed in the website of the Company. The Company affirms that no personnel have been denied access to the Audit Committee. The Whistle Blower policy is also displayed at the Notice Board of the Company and is made part of the induction programme as provided to employees in order to ensure that the same is well within the knowledge of the employees. Whistle Blower Policy is available on the website of the Company – https://himatsingka.com/investors/corporate-governance

No grievance has been reported to the Audit Committee during the year.

v) Sexual Harassment of Women at Workplace

The Company is committed to provide a safe and secure work environment to all its employees. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Therefore, any discrimination and/or harassment in any form is unacceptable.

The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No. of Complaints filed during the year	2
No. of complaints disposed off during the year	2
No. of complaints pending as on the end of the year	0

vi) Board Disclosures – Risk Management

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same. A report on Risk Management is included elsewhere in this Annual Report.

vii) Credit Rating

During the year CRISIL vide its letter dated August 23, 2022 has reaffirmed the credit rating of the Company as given below:

	Ratings
Long Term Debt	BBB+/ Negative
Short Term Debt	CRISIL A2

viii) Terms and Conditions of appointment of Independent Directors are posted on the website of the company: https://www.himatsingka.com/investors/corporate-governance

ix) The Management Discussion and Analysis report is included elsewhere in this Annual Report.

x) All the mandatory requirements have been duly complied with.

xi) With regard to adoption of non-mandatory requirements as specified in Part E of Schedule II of the Listing Regulations, the Internal Auditors report directly to the Audit Committee.

xii) Statutory Compliance, Penalties and Strictures

The Company has complied with all the requirements of the Stock Exchanges/ SEBI/ and other statutory authorities on all matters related to the capital markets during the last three years.

However, pursuant to the nomination of Mr. Manish Joshi as a nominee director on the Board of the Company w.e.f. March 9, 2023 by Financial Institution, owned and controlled by Government of India, fine was levied by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in respect of composition of Board under Regulation 17(1) of Listing Regulations for the quarter ended March 2023. The fine has been duly paid by the Company. The Company has also filed the waiver applications for the same. Subsequently, the Financial Institution withdrew the nomination of Mr. Manish Joshi as a Nominee Director from the Board of the Company w.e.f. June 28, 2023 and accordingly Company is in compliance with the provisions of Regulation 17(1) of Listing Regulations. There were no other penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets.

Further, during the financial year 2021-22, a fine was levied by BSE and NSE in respect of one day short notice for a Board Meeting under Regulation 29(2)/(3) of Listing Regulations on the Company. The fine has been duly paid.

xiii) During the year, Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

xiv) During the year under review, the Board of Directors accepted all recommendations of the Committees of the Board.

14) GENERAL CORPORATE AND SHAREHOLDER INFORMATION:

Date of Incorporation	January 23, 1985
Registered Address	10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001
Corporate Identification Number (CIN)	L17112KA1985PLC006647
Listing on Stock Exchanges	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400 051
Stock Exchange Code	BSE: 514043 NSE: HIMATSEIDE
Listing Fees	Paid to BSE and NSE for 2023-24
Custodial Fees	Central Depository Services (India) Ltd. paid for the year 2023-24 National Securities Depository Limited one-time fees paid. Demat ISIN: INE049A01027
Annual General Meeting	Thursday, September 28, 2023 at 12:00 P.M. (IST)
Financial year	1st April to 31st March
Financial Calendar	Board Meetings for approval of financial results and annual accounts: Q1 2023-24: July – August 14, 2023 Q2 2023-24: October – November 14, 2023 Q3 2023-24: January – February 14, 2024 Q4 2023-24: April – May 30, 2024
Date of Book Closure	Not Applicable
Stock Split	1 equity share of ₹ 10/- each split into 2 equity shares of ₹ 5/- each in October 2005
Bonus History	Year 1994 – 1:2 Year 1999 – 1:1 Year 2005 – 1:1
Dividend payment date	Not Applicable
Share Registrar and Transfer **Agents**	KFin Technologies Limited Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India -500032 T: +91 40 6716 2222, 3321 1000; F: +91 40 23001153; E: einward.ris@kfintech.com
Investors' correspondence may be addressed to	Mr. M. Sridhar General Manager – Corporate Compliance & Company Secretary Himatsingka Seide Limited, 10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001. T: +91 80 4257 8000; F: +91 80 4147 9384; E: investors@himatsingka.com
Outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any Convertible instruments, conversion date and likely impact on equity	As on date of the report i.e. Aug 10, 2023, Company has issued and allotted 12,500 Foreign Currency Convertible Bonds (FCCBs) having face value of USD 1000 each, aggregating to USD 12,500,000 to International Finance Corporation in two tranches. The FCCBs are convertible into Equity Shares at a price of ₹165/- per share, subject to adjustments as per the terms of FCCB Agreement. Upon conversion, the arising Equity Shares shall rank Pari Passu with the existing equity shares and shall be listed on BSE Limited and National Stock Exchange of India Limited.

15) UNCLAIMED DIVIDENDS

Pursuant to Section 125 of the Companies Act, 2013, dividends that are unpaid/ unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Year	Type of Dividend	Dividend per share (₹)	Date of declaration of Dividend	Due date for transfer to IEPF
2016	Final dividend	1.50	September 17, 2016	October 23, 2023
2017	Final dividend	2.50	September 23, 2017	October 25, 2024
2018	Final dividend	2.50	September 22, 2018	October 27, 2025
2019	Final dividend	5.00	September 24, 2019	October 29, 2026
2020	Final dividend	0.50	September 29, 2020	November 04, 2027
2021	Final dividend	0.50	August 28, 2021	October 04, 2028
2022	Final dividend	0.50	September 28, 2022	November 03, 2029

Members who have till date not encashed their dividend warrants are requested to write to the Company/Share Transfer Agent to claim the same, to avoid transfer of dividend to IEPF. Members are advised that claims shall not lie against the said fund or the Company for the amounts of dividend so transferred to the said Fund.

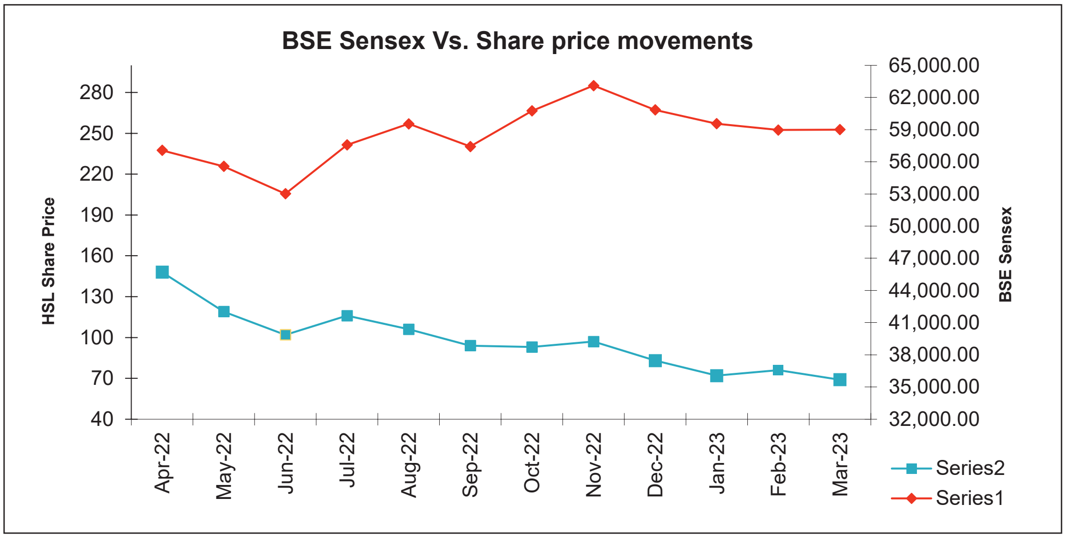
16) INFORMATION ON LISTED EQUITY SHARES

i) Share Price

The monthly high and low quotations and volume of shares traded at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) during the year were as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-22	173.90	145.85	1066222	174.90	146.00	7771446
May-22	147.30	111.40	1210342	147.90	111.20	5397141
Jun-22	126.30	90.15	634159	126.40	90.00	7668509
Jul-22	121.75	101.25	559967	127.80	101.20	6514234
Aug-22	127.70	101.65	759023	127.80	101.60	8119475
Sep-22	110.00	88.00	739392	110.00	87.75	6007983
Oct-22	109.90	91.50	614223	110.00	92.00	6639321
Nov-22	106.15	91.35	567881	106.45	91.30	6810698
Dec-22	99.95	76.00	1418061	100.00	76.30	13953650
Jan-23	84.45	69.05	1043360	84.50	68.90	9258209
Feb-23	82.25	68.50	672817	82.30	68.60	6446890
Mar-23	85.47	67.55	720347	85.60	67.60	5988923
Total			**1005794**	**Total**		**90576479**

ii) **Share Price Movement**



iii) **Distribution of shareholding as on March 31, 2023**

No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	46513	90.09	8717292	8.85
5001-10000	2456	4.76	3746275	3.80
10001-20000	1322	2.56	3836650	3.90
20001-30000	485	0.94	2451464	2.49
30001-40000	199	0.39	1417720	1.44
40001-50000	172	0.33	1612397	1.64
50001-100000	270	0.52	3888478	3.95
100001& above	214	0.41	72786884	73.93
Total	**51631**	**100.00**	**98457160**	**100.00**

iv) **Shareholding Pattern as on March 31, 2023**

Particulars	Physical Holding	Electronic Holding	Total Holdings	%
Promoters	0	46834592	46834592	47.57
Mutual Fund	0	4932700	4932700	5.01
Foreign Institutions	2400	2162899	2165299	2.20
Individuals	344629	35139392	35484021	36.04
Non-Resident Indians	104140	2639016	2743156	2.79
Indian Bodies Corporate	6900	3428621	3435521	3.49
Trusts	0	1000010	1000010	1.02
HUF	0	1405582	1405582	1.43
Others	0	456279	456279	0.45
Total	**522413**	**97999091**	**98457160**	**100.00**
%	0.46	99.54	100.00	

v) Dematerialization of shares and liquidity

The equity shares of the Company are available for dematerialization (Demat) with National Securities Depository Limited (NSDL) and Central Depository Services of India Limited (CDSL). The equity shares of the Company have been notified by SEBI for settlement only in the Demat form for all investors from March 21, 2000.

As on March 31, 2023, 99.54% of the Company's share capital is dematerialized and the rest is in Physical form. The equity shares of the Company were regularly traded on the National Stock Exchange and Bombay Stock Exchange.

Shares held in Demat and Physical mode as on March 31, 2023:

Category	Number of		% to total equity
Demat	**Shareholders**	**Shares**	
NSDL	22857	82640178	83.94
CDSL	28492	15358913	15.60
Total	**51349**	**97999091**	**99.54**
Physical	282	458069	0.46
Grand Total	**51631**	**98457160**	**100.00**

17) PLANT LOCATIONS

Plant Location	Products Category
Doddaballapur, Karnataka, India	Home Textiles
Hassan, Karnataka, India	Home Textiles and Yarn

18) SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE

As a part of Green initiative, the members who wish to receive documents like the Notice convening the general meetings, Financial Statements, Board's Report, Auditors Report etc., through e-mail, may kindly intimate their e-mail address to Company/ Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

19) COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK AND HEDGING ACTIVITY

A report on Risk Management is included elsewhere in this Annual Report.

20) OTHER INFORMATION TO SHAREHOLDERS

- Equity shares of the Company are under compulsory demat trading by all investors, with effect from March 21, 2000. Considering the advantages of scripless trading, shareholders are requested in their own interest to consider de-materalisation of their shareholding so as to avoid inconvenience in future.
- Shareholders/Beneficial Owners are requested to quote their Registered Folio No./DP & Client ID Nos. as the case may be, in all correspondence with the RTA/ Company. Company has also designated an exclusive E-mail ID: investors@himatsingka.com for effective investors' services where they can complain/ raise query and request for speedy and prompt redressal.
- Shareholders holding shares in physical form are requested to notify to the RTA/ Company, change in their address/ Pin Code number with proof of address and Bank Account details promptly by sending duly filled in Form ISR-1 alongwith the supporting documents.
- Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, bank details, nomination, power of attorney, etc., directly to their Depository Participants only.
- Non-resident members are requested to immediately notify the following to the Company in respect of shares held in physical form and to their Depository Participants in respect of shares held in dematerialized form:
  - Indian address for sending all communications, if not provided so far;
  - Change in their residential status on return to India for permanent settlement;
  - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
  - E-mail ID and Fax No.(s), if any
- In case of loss/ misplacement of shares, investors should immediately lodge FIR/Complaint with the Police and inform to the Company along with original or certified copy of FIR/ Acknowledged copy of the Police complaint.

- For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
- Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate the possibility of difference in signature at a later date.
- Shareholders of the Company, who have multiple accounts in identical names(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s), are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.
- Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in Companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.
- Shareholders are requested to give their valuable suggestions for improvement of the Company's investor services.

21) MANDATORY/NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements Schedule V of Regulation 34(3) of Listing Regulations relating to Corporate Governance. With regard to the non-mandatory requirements the Company has an Executive Director as its Chairman, it has appointed separate persons as Chairman and CEO, and the Internal Auditors report directly to the Audit Committee.

DECLARATION

As provided under Schedule V(D) of Listing Regulations, all Board members and Senior Management Personnel have affirmed compliance with Himatsingka Seide Limited Code of Business Conduct and Ethics for the year ended March 31, 2023.

Place: Bengaluru
Date : August 10, 2023

D.K Himatsingka
Executive Chairman

Shrikant Himatsingka
Executive Vice Chairman &
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015]

To,
The Members,
M/s. Himatsingka Seide Limited
10/24, Kumara Krupa Road
High Grounds, Bangalore-560 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Himatsingka Seide Limited having CIN: L17112KA1985PLC006647 and having registered office at 10/24, Kumarakrupa Road High Grounds, Bangalore-560 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013. My responsibility is to express an opinion on these based on my verification. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN
01	Rajiv Khaitan	00071487
02	Shrikant Himatsingka	00122103
03	Dinesh Kumar Himatsingka	00139516
04	Sandhya Vasudevan	00372405
05	Harminder Sahni	00576755
06	Selvam Shanmuga Sundaram	09816120
07	Manish Krishnarao Joshi	06532127

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Vivek Manjunath Bhat
Practicing Company Secretary
COP: 8426
UDIN: F007708E000320218

Place: Bengaluru
Date : 17th May 2023

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Himatsingka Seide Limited
CIN: L17112KA1985PLC006647
Reg. Off. Add: 10/24, Kumarakrupa Road High Grounds
Bangalore -560001
Karnataka India

1) This certificate is issued in accordance with the terms of our engagement letter dated July 04, 2023.

2) I, CS. Pramod. S, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by the Himatsingka Seide Limited ('the Company'), for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management Responsibility:

3) The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Practicing Company Secretary Responsibility:

4) My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5) I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6) I hereby confirm that my firm is a peer reviewed vide peer review unit1491/2021.

Opinion:

7) Based on my examination of the relevant records, as well as the information, explanations, and representations provided to me by the Management, I hereby certify that, to the best of my knowledge, the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the fiscal year ended March 31, 2023, except Regulation 17(1) on account of nomination of director by a financial institution owned and controlled by the Government of India, on the Board of the Company with effect from March 9, 2023 due to which 50% of the Board did not consist of Independent Directors. The Company has represented to the Stock Exchanges that a time-period of 3 months is available to the Company to restore the composition requirement of 50% Independent Directors on the Board and that the Company ought not to be considered as non-complaint from the date of nomination of director by the financial institution as the appointment of an additional independent Director is procedure driven and takes time. However, the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited have imposed fine of ₹ 1,35,700/- each respectively for the quarter ended March 31, 2023 and the same has been paid by the Company as advised by the Stock Exchanges. Subsequently, the financial institution has withdrawn the nomination of Director on June 28, 2023 as evidenced by the regulatory filings made by the Company and the Board composition is in line with Regulation 17(1) of the Listing Regulations from June 28, 2023. The Company has also made a waiver application with the exchanges and the outcome is awaited.

8) As of March 31, 2023, the Company was found to be non-compliant with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and said non - compliance continued till June 28,2023. It should be noted that the events mentioned above took place before the signing of this report, and thus have been duly recorded and accounted for.

9) We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use:

The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirements of the Listing Regulations and should not be used by any other person or for any other purpose. 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.

Pramod S.
Practicing Company Secretary
ACS: 36020; CP No.: 13335
Peer Reviewed Unit: 1491/2021
ICSI UDIN:A036020E000611760

Place: Bengaluru
Date : July 14, 2023

Business Responsibility & Sustainability Reporting (BRSR)

SECTION A: GENERAL DISCLOSURES

1. DETAILS OF THE LISTED ENTITY

Corporate Identity Number (CIN) of the Listed Entity	L17112KA1985PLC006647
Name of the Listed Entity	Himatsingka Seide Limited
Year of incorporation	1985
Registered office address	#10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001
Corporate address	#10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001
E-mail	investors@himatsingka.com
Telephone	91-80-42578000
Website	http://www.himatsingka.com/
Financial year for which reporting is being done	2022-23
Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd and BSE Ltd
Paid-up Capital	₹ 49.23 Crores
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. M. Sridhar Company Secretary, Himatsingka Seide Limited, 10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001. Telephone: +91 80 2237 8000; Fax: +91 80 4147 9384; Email: investors@himatsingka.com
Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

2. PRODUCTS/SERVICES

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

Sl. No.	Description of main activity	Description of business activity	% of turnover of the entity (FY23)
1.	Home Linens	Home Textiles – Manufacturing	96%

3. PRODUCTS/SERVICES SOLD BY THE ENTITY (ACCOUNTING FOR 90% OF THE ENTITY'S TURNOVER):

Sl. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Home Linens	131, 139	96%

4. NUMBER OF LOCATIONS WHERE PLANTS AND/OR OPERATIONS/OFFICES OF THE ENTITY ARE SITUATED:

Location	Number of plants	Number of offices	Total
National	2	3	5
International	0	4	4

5. MARKETS SERVED BY THE ENTITY:

a) Number of locations

Locations	Number
National (No. of States)	01
International (No. of Countries)	35

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

- Revenue – Outside India - ₹18,01,79,29,384 representing 97.71%

C) A brief on types of customers

Himatsingka is an integrated global textile major that designs, develops, manufactures, distributes, and retails a suite of textile products. Our installed capacities for manufacturing bedding and bath products, drapery and upholstery fabrics, and fine-count cotton yarn are amongst the largest in the world.

At Himatsingka we design, develop and manufacture products that emanate from the aesthetic and technological requirements of our global clientele. Our clients cater to a diverse cross section of consumers and hence our product portfolio is in keeping with the demand of millions of consumers across major international markets. Himatsingka brings to consumers an unparalleled suite of brands and technology led solutions that secure the transparency of the cotton value chain and fulfill the consumer's preference for authentic and traceable products.

6. EMPLOYEES

Details as at the end of the Financial Year:

a) Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	815	726	89%	89	11%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	815	726	89%	89	11 %
			WORKERS			
4.	Permanent (F)	6299	4046	64%	2253	36%
5.	Other than Permanent (G)	1287	903	70%	384	30%
6.	Total workers (F + G)	7586	4949	65%	2637	35%

b) Differently-abled Employees and workers

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
			DIFFERENTLY ABLED WORKERS			
4.	Permanent (F)	21	15	71%	6	29%
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	21	15	71%	6	29%

7. PARTICIPATION/INCLUSION/REPRESENTATION OF WOMEN

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.29%
Key Management Personnel	2	0	0

8. TURNOVER RATE FOR PERMANENT EMPLOYEES AND WORKERS

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17%	6%	16%	25.69%	1%	26.69%	22.7%	4.88%	21%
Permanent Workers	37.50%	16%	29%	87.75%	29.25%	117%	63.70%	27.30%	91%

9. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Himatsingka Wovens Private Limited	Wholly owned subsidiary	100	No
2	Himatsingka Holdings North America, Inc	Wholly owned subsidiary	100	No
3	Himatsingka America Inc.	Step down wholly owned subsidiary	100	No

10. CSR DETAILS

i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes
ii) Turnover (in ₹) – 20,527,410,713.60
iii) Net worth (in ₹) – 16,672,906,353.19

11. TRANSPARENCY AND DISCLOSURES COMPLIANCES -

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

Objective: Management of grievances of both internal and external stakeholders and minimize the social risks to the business.

The grievance process outlined in this document provides a road map for stakeholders to voice their concerns and provides transparency on how grievances will be managed internally and aims to reduce conflicts and strengthens the relationship between the Company and its stakeholders. Stakeholders categorized as below:

Internal Stakeholders – Groups or individuals within a business who work directly within the business such as employees, workers and contractual support staff.

External Stakeholders – Groups or individuals outside a business who are affected in some way by the decisions of the business, such as investors, lenders, value chain partners, customers, community, media and the Government.

Stakeholders may register grievance through multiple channels. In case a stakeholder is not satisfied with the resolution provided by us, he / she may escalate his/ her grievance to the next level.

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) Web link	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes* Human Resource Internal Grievance Committee https://www.himatsingka.com/investors/corporate-governance	–	–	–	–	–	–
Investors (other than shareholders)	Yes ** Head Investor Relations https://www.himatsingka.com/investors/corporate-governance	–	–	–	–	–	–
Shareholders	Yes*** Company Secretary & Compliance Officer https://www.himatsingka.com/investors/corporate-governance	107	0	–	248	0	–
Employees and workers	Yes# Human Resource Business Partners https://www.himatsingka.com/investors/corporate-governance	–	–	–	–	–	–
Customers	Yes^ Marketing department https://www.himatsingka.com/investors/corporate-governance	–	–	–	–	–	–
Value Chain Partners	Yes^^ Suppliers – Central procurement SPOC Channel Partners – Sales Brand Manager https://www.himatsingka.com/investors/corporate-governance	–	–	–	–	–	–

* **Communities** – Any grievances from community is taken up with the concerned HR personnel at Hassan. Appropriate actions are taken to resolve the concerns. If there is an escalation then it goes to the HR Head (Hassan) who in turn addresses it, after consulting the internal stakeholders. Further escalation are taken up with the Internal Grievance Committee.

** **Investors** (other than shareholders) – The Treasury Team handles investors' concerns or issues. There are quarterly investors calls arranged at the time of publications of quarterly results where the Investors interact with the management on the results or any other issues thereon. Escalations are taken up with the Senior Management.

*** **Shareholders** – Shareholders can approach either Company or the Registrar and Transfer Agents for complaints on various shareholder issues. The same are resolved by the Registrar and Transfer Agents or by the Company. Escalations are taken up by the Company Secretary.

Employees and workers – Employees and workers reach out to their respective Department HR leads for resolution of their grievances. If required, it is further escalated to the HR manager and finally to the HR Head for the resolution.

^ **Customers** – The GSM team lead attends to the complaints and provides requisite solution. In case of escalation , the Head of the Department / Business head , intervenes in the matter for resolution.

^^ **Value Chain Partners** – The sourcing team attends the first level of the grievances, however , in case of escalation , the Sourcing head attends to their problem for the resolution.

12. OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES -

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Our materiality assessment focusses on identifying and ranking the most important business conduct and sustainability issues that the business should target to maximize value the Company and its stakeholders. These issues are identified based on careful research, insights generated from operations and meaningful engagement with stakeholders. All the major stakeholder groups are represented, including employees, investors, customers, communities and suppliers as well as regulators.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Emissions and Air Quality	Opportunity	• Utilize natural resources in the form of renewable energy to reduce the energy consumption • Changes in existing regulations / emerging regulations impacting emissions & Energy Management	We are actively reducing our carbon footprint by adopting cleaner processes, while increasing energy and resource efficiencies.	Positive
2.	Water Stewardship	Opportunity	Cost-Reduction through efficient Water Conservation measures	Himatsingka operates best-in-class Zero Liquid Discharge (ZLD) water management plants across all its manufacturing facilities. We are mindful of our water consumption, continually optimizing its usage through the manufacturing process, capturing and recycling as much as possible, while also rejuvenating water sources.	Positive

3.	Energy Efficiency	Opportunity	• Lowered Carbon Footprint • Cost-Reduction – Energy Conservation • Usage of Renewable energy	– Improving the energy productivity of our processes is a priority. Our digitized, next gen shopfloors and technology platforms have helped us rationalize our energy footprint. This is an area that is constantly being researched and improved upon every year. – We continue to increase the share of renewable energy as a percentage of our total consumed energy portfolio.	Positive
4.	Waste Management	Opportunity	• Environmental pollution. • Cost-Reduction through recycling	Himatsingka is leading the way in reducing waste by operating a zero-paper shopfloor, reducing the use of plastics, introducing sustainable packaging solutions and reusing waste. Our 'conscious portfolio' innovatively uses recycled fibers, natural finishes and reduced water consumption in the manufacturing process.	Positive
5.	Occupational health and safety	Risk	• Accidents involving significant injuries, loss of life or damage to equipment/ facilities.	Regular trainings/adequate awareness is provided to employees and workers on various safety requirements. Regular audits/visits are performed by the OHC team.	Negative
6.	Customer Relationships	Opportunity	• Concentration in certain markets and dependency on customers for substantial business.	The Company is continuously focusing on newer customers and geographies and pursuing opportunities in expanding market presence across new geographies and client groups in order to mitigate risk. The Company has, on a continuous basis, acquired new brand licenses and added new customers.	Positive
7.	Business Ethics and Integrity	Opportunity	• New and changing regulatory compliance, corporate governance and public disclosure requirements add uncertainty to compliance policies and increase the cost of compliance.	Himatsingka endeavors to achieve the highest standards of ethical conduct and compliance across all its businesses and facilities. With exacting policies and procedures, industry leading training programs and internal monitoring and auditing systems, we are equipped to provide our businesses with the monitoring and frameworks required.	Positive

8.	Employee Development & Engagement	Opportunity	• Inability to attract and retain talent could affect the organization's ability to meet its growth aspirations.	All HR policies are benchmarked with the industry best practices. Employee surveys are regularly carried out. Trainings are provided to employees based on a training calendar.	Positive
9.	Protection of Human rights	Opportunity	•The Company is committed to respect and protect human rights.	– The Company's code of conduct, Human Resource practices and policies provide guidelines on matters relating to child labour, occupational health and safety among other relevant matters that help respect and promote Human Rights. – The Grievance Redressal Mechanism is in place at all the locations with the proportion of workers and management as per the statutory norms.	Positive
10.	Brand Management	Opportunity	• Failure to anticipate and respond to changes in consumer preferences, purchasing behavior and market trends may adversely affect the Company's performance.	The Company continues to strengthen brand and private label portfolios in order to drive market share.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	–	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	–	Y	Y
c. Web Link of the Policies, if available**	https://www.himatsingka.com/investors/corporate-governance The links above include various policies that cover the above principles. Some policies are internal policies of the Company which are accessible to all internal stakeholders								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	–	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No, The policies have been formally communicated to all relevant internal and external stakeholders								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.									
Principle 1	The manufacturing locations are certified for requirements under Fairtrade, ISO 14001 (environment management system) and OHSAS 18001(Occupational Health and Safety System).								
Principle 2									
Principle 3									
Principle 4									
Principle 5									
Principle 6									
Principle 7									
Principle 8									
Principle 9									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	**SUSTAINABILITY GOALS** • Carbon Neutral by 2030 • 100% Renewable Energy by 2030 (75% by 2025) • All Manufacturing Facilities to be ZWL-Certified by 2025 • Use of 100% Sustainable Cotton by 2025 • Operate Zero Liquid Discharge (ZLD) Water Management Plants across Manufacturing Facilities								

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	• Carbon Neutral by 2030 – Scope 1 and Scope 2 , goals have been identified and the roadmap along with action plan has been put in place. Scope 3, goals and targets are yet to be assessed and envisaged to be in place by end of FY-23-24. • 100% Renewable Energy by 2030 (75% by 2025). – The Company has achieved 32% of the goal. The roadmap for implementation is in place. • All Manufacturing Facilities to be ZWL-Certified by 2025. – Road map is being prepared for its implementation . • Use of 100% Sustainable Cotton by 2025 – We are using sustainable cotton and the road map for 100 % usage is being prepared. • Operate Zero Liquid Discharge (ZLD) Water Management Plants across Manufacturing Facilities – All our manufacturing facilities are ZLD compliant

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

“We believe good ESG stewardship begins with transformative change and accountability. Himatsingka has put in place sustainable practices and set ESG goals to demonstrate its deep commitment to people and planet.” – S. Shanmuga Sundaram, Executive Director.

Guided by our brand essence ‘Inspired Excellence’, we take every idea to its full potential. This applies to how we think about the environment, our social responsibility and governance (ESG).

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.

ENVIRONMENT

Developing and implementing sustainable business models is probably the most important and urgent challenge the world faces today. Himatsingka is committed to participating and contributing to the transformative journey that global value chains, across industries have to embark upon to create a more sustainable world. We are determined to take initiatives that help promote sustainable businesses.

SOCIAL

At Himatsingka, Our Purpose is to ‘Make Better Lives Possible’. This philosophy guides us in our actions, both at the workplace and beyond. We are committed to creating a work environment that epitomizes employee engagement and promotes diversity and inclusion. We are equally committed to working with communities around us to empower women, enable education, facilitate sanitation, healthcare services, and drive skill development.

GOVERNANCE

Our strong and transparent governance framework helps us to meet the requirements and expectations of a cross section of stakeholders. We are continuously building on our existing processes, policies and frameworks to achieve the highest standards of governance in all spheres of our businesses.

Himatsingka is committed to making ESG central to its operating philosophy and has put in place initiatives that position it to lead the ESG journey in the times to come.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Mr. S. Shanmuga Sundaram, Executive Director DIN 09816120
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No specific committee as on date. Will be deployed shortly.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically or on need basis by the Board and Functional Heads.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is compliant to all applicable regulations																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency?	Periodical assessment by SMETA (Sedex Members Ethical Trade Audit) undertaken								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes / No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

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

<table>
<tr><th>Segment</th><th>Total number of training and awareness programmes held</th><th>Topics / principles covered under the training and its impact</th><th>Percentage of persons in respective category covered by the awareness Programes</th></tr>
<tr><td>Board of Directors</td><td colspan="2" rowspan="2">The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. In addition, presentations are made at the Board and Committee Meetings on the performance of the Company along with subsidiaries and quarterly updates on relevant statutory changes. All new Independent Directors are taken through a detailed induction and familiarization programme which covers the culture of Himatsingka and various milestones since the Company's incorporation.</td><td rowspan="2">100%</td></tr>
<tr><td>Key Managerial Personnel</td></tr>
<tr><td>Employees other than BoD and KMPs</td><td>7 types of trainings imparted on a continuous basis; @ 20 days in a month.</td><td>1. Awareness of Compliance
2. Fire Fighting & Fire Prevention
3. Chemical Handling & Safety
4. First Aid & CPR
5. Use & Importance of PPE
6. Electrical Safety/ Safe use of Electrical Appliances
7.On-site Emergency & Rescue Operations</td><td>100%</td></tr>
<tr><td>Workers</td><td>15-20 days in a month in different sections like class room, floor, tool box talk, hands on training, practical demonstrations, skill enhancement trainings etc</td><td>1. Induction training for workers – 100% covering operational, safety, compliance, payroll related information including security training.
2. Other technical trainings such as machines, SOP, skill development, tailoring related, weaving related, operations related. Back up- Training Manual
3.Freshers are provided with Technical trainings</td><td>100%</td></tr>
</table>

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

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

* The Company has paid fine to the Stock Exchanges in the month of July 2023 pertaining to financial year 2023-24, the details of which has been provided in the Boards' Report and Corporate Governance Report appearing elsewhere in the Annual Report. The Company has filed waiver application with the stock exchanges for the same.

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

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
No such instances during Financial Year 2022-23.	

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

The Company does not have a standalone anti-corruption or anti-bribery policy, but the Company's Code of Conduct and Ethics Policy lists out the do's and dont's and gives a guidance for ethics and adherence to Himatsingka Core Values. The code also enlists the procedures for deviations under the code. The Policy is applicable to all the employees & workers and extends to the Himatsingka Group Companies.

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

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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

None

Leadership Indicators

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

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

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

Yes, the Company has a mechanism to avoid / manage conflict of interests involving members of the Board as per the Company's Code of Conduct.

The Company has adopted a Code of conduct applicable to the Board of Directors and senior management personnel of the Company. This Code requires the Directors and senior management personnel of the Company to act in accordance with the highest standard of personal and professional integrity, honesty and ethical conduct in the discharge of duties. Directors/Officers shall avoid and disclose actual and apparent conflicts of personal interest with the interest of the Company and to disclose all contractual interest, whether directly or indirectly, with the Company.

The Code guides the Directors and senior management personnel to conduct themselves in professional, courteous and respectful manner and also ensures to mitigate and prevent conflicts of interest that may arise.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

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

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	–	–	–
Capex	–	8.75% (12.54 Crore) (MBR, PULSER JET, MEE, ATFD)* MEE cum ATFD. Investment is ₹ 1.65 Crores	Fresh water saving by increasing recovery rate in R.O, MEE and VTFD. 99% Recovered water used for production activity and achieved ZLD System. Implemented sludge and salt drying system to reduce disposal cost.

* MBR – Membrane Bioreactors
MEE – Multi effect evaporator
ATFD – Agitated Thin Film Dryer.

2) Does the entity have procedures in place for sustainable sourcing? (Yes / No) b. If yes, what percentage of inputs were sourced sustainably?

Yes, The sourcing of input materials for manufacturing activities have largely adhered to the use of such materials that are sustainable. The Company's supplier evaluation requirements stress on sustainability criteria to further the high sustainability value chain goals of the Company.

Percentage of sustainable input raw material used is 73% (Approximately)

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

Not Applicable. The company is in textile Industry and does not reclaim any of its products. Usage of plastic is reduced by 25 to 30% by using product covering instead of plastic. E-waste generation is minimal and the same is collected and disposed through authorized disposal agency approved by Karnataka State Pollution Control Board ("KSPCB"). Hazardous waste like treatment waste is disposed through approved KSPCB agency. Waste-oil and empty container are sent to authorized recyclers agencies approved by KSPCB.

4) Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Leadership Indicators

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

No, the company has not conducted LCA

NIC Code	Name of Product / Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not applicable					

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

None. But we have implemented ZLD – Treatment system from the inception of the plant for recovery, re-use of the recovered water (99%) for production activity and saving fresh water. The Company is able to conserve 99% fresh water by way of re-use.

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

Not Applicable. As the company is in textile Industry, the company does not recycle or reuse input material

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Not Applicable		

4) Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

Not Applicable. The waste generated is disposed through authorized disposal agency approved by KSPCB.

(In metric tonnes)

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely	Re-Used	Recycled	Safely
Plastics (including packaging)	–	–	39.2	–	–	72.7
E-waste	–	–	0.640	–	–	0.520
Hazardous waste	–	–	3319	–	–	4519
Other Waste (Cloth & chindi waste sold to by-product manufacturer)	–	1215	–	–	2770	–

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

Essential Indicators

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

All employees are covered under employee welfare policies which provides benefits like life Insurance, health insurance. Eligible employees are covered under ESIC which includes all the mentioned benefits viz. Health Insurance, Accident Insurance and Maternity benefits. Further Creche facility is available at the plant.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/ A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Permanent employees											
Male	726	726	100	726	100	NA	NA	NA	NA	726	100
Female	89	89	100	89	100	89	100	NA	NA	89	100
Total	815	815	100	815	100	89	100	NA	NA	815	100
Other than Permanent employees											
Male	**Nil**										
Female											
Total											

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

All workers are covered under ESIC which includes all the mentioned benefits viz, Health Insurance, Accident Insurance and Maternity benefits. Further Creche facility is available at the plant.

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	4046	4046	100%	4046	100%	NA	NA	NA	NA	4046	100%
Female	2253	2253	100%	2253	100%	2253	100%	NA	NA	2253	100%
Total	**6299**	**6299**	**100%**	**6299**	**100%**	**2253**	**100%**	**NA**	**NA**	**6299**	**100%**
Other than Permanent workers											
Male	903	903	100%	903	100%	NA	NA	NA	NA	903	100%
Female	384	384	100%	384	100%	384	100%	NA	NA	384	100%
Total	**1287**	**1287**	**100%**	**1287**	**100%**	**384**	**100%**	**NA**	**NA**	**1287**	**100%**

Details of retirement benefits.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	3.48%	98.43%	Yes	3.48%	98%	Yes
Others – Workmen Compensation	–	107 – 1.57% Covered under Workmen compensation	Not Applicable There is no deduction from the employees	–	150 – 2% Covered under Workmen compensation	Not Applicable There is no deduction from the employees.

3) Accessibility of workplaces.

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

Yes – All premises/ offices are accessible to differently abled employees and workers.

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

The Company does not have an Equal opportunity policy. However, the company's code of conduct & ethics covers its stance on equal opportunity & Non-discrimination.

The Company does not engage in or support discrimination on the basis of race, colour, sex, language, religion, political or other opinion, caste, national or social origin, property, union affiliation, sexual orientation, health status, family responsibilities, age, and disability or other distinguishing characteristics.

Our workforce reflects the richness of diverse backgrounds and abilities, making us more collaborative, innovative and equitable. Himatsingka is proud to employ people with special needs as an active part of its workforce.

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

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	NA	NA	NA	NA
Female	80%	60%	90%	80%
Total	**80%**	**60%**	**90%**	**80%**

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

	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes (Suggestion Box, Speakup Email, Grievance Committee, Town Hall Meetings)
Other than Permanent Workers	Yes (Suggestion Box, Speakup Email, Grievance Committee, Town Hall Meetings)
Permanent Employees	Yes (Suggestion Box, Speakup Email, Grievance Committee, Town Hall Meetings)
Other than Permanent Employees	Yes (Suggestion Box, Speakup Email, Grievance Committee, Town Hall Meetings)

7) Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ Workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	815	0	0	1017	0	0
– Male	726	0	0	912	0	0
– Female	89	0	0	105	0	0
Total Permanent Workers	6299	339	5	7341	346	5%
– Male	4046	339	7	5060	346	7%
– Female	2253	0	0	2281	0	0

8) Details of training given to employees and workers:

The continued focus on enhancing employee capabilities and benchmarking to be able to deliver best-in-class working environment has helped the Company maintain its leadership in the home textile industry.

The Company is committed to continuous learning and treats employees as one of the biggest resources in an organization, the Company carries out training initiatives based on specific skill requirements and nature of work. Trainings are provided to employees based on a training calendar.

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	726	726	100%	726	100%	912	912	100%	912	912
Female	89	89	100%	89	100%	105	105	100%	105	105
Total	**815**	**815**	**100%**	**815**	**100%**	**1017**	**1017**	**100%**	**1017**	**1017**
Workers										
Male	4949	4949	100%	3707	75%	6714	6714	100%	5060	75%
Female	2637	2637	100%	2253	85%	2759	2759	100%	2281	82%
Total	**7586**	**7586**	**100%**	**5960**	**79%**	**9473**	**9473**	**100%**	**7341**	**77%**

9) Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	726	623	86%	912	778	85%
Female	89	68	76%	105	78	74%
Total	**815**	**691**	**85%**	**1017**	**856**	**84%**
Workers						
Male	4949	2970	60%	6714	4364	65%
Female	2637	1614	61%	2759	1655	60%
Total	**7586**	**4584**	**60%**	**9473**	**6019**	**64%**

10) **Health and safety management system:**

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

Yes, All employees & workers are covered under the occupational health & safety management system & policies.

The health and safety of our people has always been a top priority at Himatsingka, and this has been in sharper focus during the recent pandemic. Annual health camps for workers and more frequent health checks for those working in sensitive areas of manufacturing, are carried out regularly.

The company is committed not only to comply with all relevant health & safety laws, but also to conduct business in a manner that protects all its employees & workers. All employees and workers are required to comply with all applicable health and safety laws, regulations & policies relevant to their job.

The system is aimed at creating a healthy and safe environment by detecting occupational health and safety hazards and developing practical approaches to eliminate or control hazards.

The Health and Safety Management system covers a wide range of aspects such as Preventive, Therapeutic, Curative and Rehabilitative activities. Regular First Aid trainings, awareness programs on general health and personal hygiene, pre-employment, periodic and annual health checkup, inspecting the workplace regularly, investigating reportable incidents, helping establish and promote health and safety programs, policies, and training are a few other aims of the system. Regular audits/visits are performed by the OHC team.

The Company follows standard operating procedures for working in Plants & Offices, which include regular sanitization, use of PPE/ masks and availability of medical staff within the premises etc.

The manufacturing locations are certified for requirements under ISO 14001 (environment management system) and OHSAS 18001 (Occupational Health and Safety System)

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

Routine – There is a process of identification of risk through "HIRA" Hazard identification and risk Assessment. The processes are identified, and hazardous processes are mitigated with appropriate checks and controls in places.

Non-routine – These are identified and addressed via via toolbox talks,(The supervisor addresses all workers, at the beginning of the shift about their safety protocols and operational practices to be adhered during the shift.)

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

The Company is committed not only to comply with all relevant health and safety laws, but also to conduct business in a manner that protects its employees. All employees & workers are required to comply with all applicable health and safety laws, regulations and policies relevant to their jobs.

Eliminating or guarding against hazards starts with identifying them. Employees/Workers are informed to alert supervisors or the HR department, if they are aware of hazards or standards that are being ignored or hidden.

All employees & workers are made aware to report the following:

- Failure to obtain or comply with regulatory permits.
- Deviations from written work practices– even if these deviations have become "routine."
- Lapses in security or emergency preparedness.
- Inadequately maintained tools or equipment.
- Missing machine guards or faulty protective equipment.
- Unsafe driving.
- Failure to use lock-out, tag-out procedures or fall protection.

The employees & workers are informed to raise the issue of hazardous risk if any during toolbox talks and the same is appropriately addressed by safety team.

d) Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

All employees have access to non-occupational medical services . There is a group medical insurance policy in place. For all workers there is ESIC policy in place.

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

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12) Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company has the following measures to ensure a safe and healthy workplace:

- Regular trainings / adequate awareness is provided to employees and workers on various safety requirements.
- Regular audits / visits are performed by the OHC team.
- Fire Safety Checks
- Chemical Management Safety
- Electrical Safety, Building stability
- Machine Safety, Emergency preparedness and response training,
- Fire mock drills
- Establishment of EHS Committee
- Various safety signages displayed across the plant,
- Safety GEMBA walk (Japanese way of identifying the hazards in the working environment)
- Rewards and recognition for different safety KAIZEN (Japanese technique for Continual improvement).

13) Number of complaints on the following made by employees and workers

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	35	NIL	-	16	NIL	–
Health & Safety	39	NIL	-	23	NIL	–

14) Assessments for the year

A SMETA (Sedex Members Ethical Trade Audit) audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The audit included direct employees, agency workers, workers employed by service providers and workers provided by other contractors.

BSCI Audit and SEDEX

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

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

Machine Safety devices were deployed in different machines; Increased Number of Fire safety devices in different locations in the plant; Photographs and write ups to be shared

Leadership Indicators

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

Yes

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

The Company has a practice of seeking previous month details, evidencing remittance of statutory dues by the value chain partners. Suitable penalty clauses is also incorporated in Partner agreements.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Employees	There were no high consequence work related injury / ill-health / fatalities at the plants / facilities			
Workers				

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

No

5. Details on assessment of value chain partners:

None

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

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

None

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

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

The company has mapped its internal and external stakeholders. Engaging with stakeholders allows our company to improve our business processes by linking sustainability issues into strategy, governance and operation, while the engaged stakeholders are also informed on corporate sustainability issues, performance and agenda. It is their involvement that broadens the horizon for improving the Company's sustainability performance.

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

List of key stakeholders & manner of engagement is as below:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	• Annual shareholder meeting • Quarterly investor presentations and conference calls • Investor conferences and meets • Press releases and newsletters	Annually / Half yearly / Quarterly / Event based	General Meetings, SEBI (LODR) Regulations, 2015: Regulation 29/30 Intimations, IEPF, Dividend related, other investor grievances
Government	No	• Annual reports • Communications with regulatory bodies • Formal dialogues	Annually / Half yearly / Quarterly / As required	SEBI (LODR) Regulations, 2015, SEBI (SAST) Regulations.
Employees	No	• Employee newsletters • Intranet Portal • Cultural events • Trainings and performance management system • Functional and cross functional committees • Emails, written communication	Event based/As required	Insider Trading training, Trading Window Closures, SAP introduction training, POSH Awareness Training Program, Himatsingka Wellness Programme – "Healthy You"
Community	Yes	• Community meetings, surveys and consultations • CSR interventions and initiatives • Awareness camps • Community development through various events	Frequent and as need based	Support CSR projects and resolve Grievances
Customers	No	• Direct Consumer calls • Customer satisfaction surveys • Complaint handling & feedback • Marketing and Advertising • Electronic Communication	Frequent and as need based	Updating customers on new product launches; Understanding the customer requirements
Contractors and Suppliers	No	• Contractor and Supplier meets • Regular interaction through phone, e-mail and in person • Supplier Audits	Frequent and as need based	Business related discussions, awareness and training programmes, workshops and seminars. Sourcing requirements

Leadership Indicators

1) Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company ensures that the respective business and functional heads actively engage with stakeholder on various Environmental, Social and Governance ("ESG") topics. Through these engagements, valuable feedback is obtained and provided to the Board. This practice enables the company to incorporate stakeholder perspectives and concerns into its decision-making processes and government practices.

2) Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Stakeholder engagement mechanisms are an important part of Himatsingka's ESG strategy. We value and encourage feedback from all stakeholders, including our investors, employees, suppliers and customers

3) Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Yes, special initiatives have been taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

Local communities and society continue to be an area of focus for the Company. We endeavor to take initiatives that have a positive impact on such communities.

The Himatsingka Learning Academy (HLA) is designed to provide inclusive and equitable career opportunities to young men and women from across the country. The HLA campus is located in Hassan, Karnataka, where our recruitment process encourages rural communities to join the Himatsingka family and get a chance at a better life. In our quest to provide equal opportunities, we give special preference for women, as we believe that they have the power not only to uplift themselves but their families as well.

St Johns Hospital Bangalore run by CBCI Society for Medical Education has commenced construction of St. Johns Geriatric Centre Project. The project encompasses construction of a proposed comprehensive centre for Care, Training and Research in Ageing and Geriatrics consisting of Ground + 6 Floors facility in Bangalore. The Company has pledged Rs 5 crores for the same with Rs 2.50 crores outlay already incurred towards completion of construction milestones.

The Company has also carried out developmental work for the local communities in the vicinity of its manufacturing facilities. The initiatives include but are not limited to education, health, employment opportunities and social infrastructure.

The Company has enrolled with Ministry of Rural Development, Government of India under the Deen Dayal Upadhyaya- Grameen Kaushalya Yojana towards imparting skill development for rural youth. The Company has registered as a Project Implementing Agency with a target to train 3500 trainees in 3 years in various facets related to textiles business like tailoring, weaving etc as per the syllabus approved by Government of India. The training is for a continuous period of 3 months with the objective of absorbing them in the organization post training. The Company has successfully completed the training of allotted 3500 nos of trainees.

The Company has also enrolled under "SAMARTH" scheme for Capacity Building in the Textiles Sector and around 400 employees have been trained and certified in this programme.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1) Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	815	815	100%	1017	1017	100%
Other than permanent	0	0	0%	0	0	0%
Total employees	**815**	**815**	**100%**	**1017**	**1017**	**100%**
Workers						
Permanent	6299	6299	100%	7341	7341	100%
Other than permanent	1287	1287	100%	2132	2132	100%
Total workers	**7586**	**7586**	**100%**	**9473**	**9473**	**100%**

2) Details of minimum wages paid to employees and workers, in the following format

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**815**	**NA**	**NA**	**815**	**100%**	**1017**	**NA**	**NA**	**1017**	**100%**
Male	726	NA	NA	726	100%	912	NA	NA	912	100%
Female	89	NA	NA	89	100%	105	NA	NA	105	100%
Other than Permanent	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	**6299**	**6299**	**100%**	**NA**	**NA**	**7341**	**7341**	**100%**	**NA**	**NA**
Male	4046	4046	100%	NA	NA	5060	5060	100%	NA	NA
Female	2253	2253	100%	NA	NA	2281	2281	100%	NA	NA
Other than Permanent	**1287**	**1287**	**100%**	**NA**	**NA**	**2132**	**2132**	**100%**	**NA**	**NA**
Male	903	903	100%	NA	NA	1654	1654	100%	NA	NA
Female	384	384	100%	NA	NA	478	478	100%	NA	NA

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

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration salary / wages of respective category
Board of Directors (BoD)	5	15,06,500	1	13,75,000
Key Managerial Personnel	4	1,75,75,869	0	0
Employees other than BoD and KMP	722	6,00,492	89	6,50,000
Workers	4949	1,94,652	2637	1,62,684

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

The Company remains committed to respect and protect human rights. The Company's Code of Conduct & Ethics and the HR policies addresses these aspects.

Yes – Plant HR head oversees and addresses the human rights impacts or issues.

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

As a conscious and vigilant organization, Himatsingka Seide Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, transparency, and ethics.

The Company remains committed to respect and protect human rights. The Company's code of conduct & ethics, Human Resource practices and policies provide guidelines on matters relating to child labour, occupational health and safety among other relevant matters that help respect and promote Human Rights. We dissociate ourselves from all forms of slavery, torture, cruel, inhuman or degrading treatment, working conditions that are a threat to life or health, child labour and heavy, irreversible environmental damage. Himatsingka Group does not tolerate slavery, forced overtime work, forced convict labour, retainment of identification papers, trafficking in human beings or repayment of debt through work.

Grievance Redressal Mechanism:

The Grievance Redressal Mechanism is in place at all the locations with the proportion of workers and management as per the statutory norms. All the complaints are resolved in timely manner.

Prevention of Sexual Harassment Policy (POSH):

The Company is committed to provide a safe and secure work environment to all its employees & workers. All employees & workers are covered under this policy. Therefore, any discrimination and/or harassment in any form is unacceptable and the Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Policy aims to prevent, prohibit and redress any alleged incident of sexual harassment and, if necessary, to enforce disciplinary action upon such occurrence. It defines sexual harassment and provides a framework to respond to complaints of sexual harassment at workplace. The Company has adopted a Zero Tolerance approach towards sexual harassment and such an act shall be treated with severity and regarded as misconduct as per this Policy. All employees & workers are made aware to report instances of sexual harassment without fear of reprisal or retaliation. All allegations of Sexual Harassment are promptly and discreetly investigated by the Company.

Whistleblower Policy:

The purpose of the policy is to create a fearless environment for the employees & workers. The Company Secretary has been designated as the Chief Compliance Officer under the policy and the employees can report any instance of unethical behaviour, fraud and/or violation of the Company's Code of conduct or policy to the Chief Compliance Officer. The framework of the policy strives to foster responsible and secure whistle blowing.

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

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	02	–	–	02	–	–
Discrimination at workplace	–	–	–	–	–	–
Child Labour	–	–	–	–	–	–
Forced Labour/ Involuntary Labour	–	–	–	–	–	–
Wages	12	–	–	18	–	–
Other human rights related issues	–	–	–	–	–	–

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

The contents of the complaint, the identity and addresses of the Aggrieved Person, any information relating to conciliation and inquiry proceedings and the action taken by the Company are kept confidential and are not published, communicated or made known to the public, press and media in any manner.

The identity of the Aggrieved Person shall be kept confidential by all concerned. Should any person entrusted with the duty of handling the complaint, inquiry or any recommendations or action to be taken breaches the confidentiality, then such person is liable for penalty and appropriate actions.

The Company is committed to ensuring that no employee or associate who brings forward a harassment concern is subject to any form of reprisal. Any reprisal will be subject to disciplinary action. There are mechanisms to ensure that the Aggrieved Person or witnesses are not victimized or discriminated against while dealing with complaints of sexual harassment. However, anyone who abuses the procedure (for example, by maliciously putting an allegation knowing it to be untrue) are subject to disciplinary action.

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

No. We are studying this requirement and we are in the process of finding the most relevant clauses to be included in the agreements.

9) Assessments of the year

A SMETA (Sedex Members Ethical Trade Audit) audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The scope of workers included direct employees, agency workers, workers employed by service providers and workers provided by other contractors.

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

10) Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks reported in the assessment.

Leadership Indicators

1.Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

None

2. Details of the scope and coverage of any Human rights due-diligence conducted

Human rights due diligence is done by third party auditors under social audits.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes – All premises/ offices are accessible to differently abled employees and workers.

4. Details on assessment of value chain partners:

None

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	NIL
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	

5) Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

None

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.

Essential Indicators

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	KJ	510064908407	821835284824
Total fuel consumption (B) (Self generation)	KJ	1280884033800	3003763278350
Energy consumption through other sources (C)	KJ	13740963600	25839759400
Total energy consumption (A+B+C)	**KJ**	**1804689905807**	**3851438322574**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	KJ/Rupees	88	113
Energy intensity (optional) – the relevant metric may be selected by the entity	KJ/Tons of Production	89451344.3	115362396.4

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y /N) If yes, name of the external agency.

No

2) Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None

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

Textile process activity: Linens & Terry **(in kilolitres)**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source		
i) Surface water: KIADB Water supply	207490	120799
ii) Groundwater	0	0
iii) Third party water (Municipal water supplies)	33487	28452
iv) Seawater / desalinated water	0	0
v) Others (Recycled)	1265597	1701601
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1506574**	**1850852**
Total volume of water consumption (in kilolitres)	**1506574**	**1850852**
Water intensity per rupee of turnover (Water consumed / turnover)	**0.000073**	**0.0000647**
Water intensity (optional) – (Water consumption / Ton of production. KL / TON)	74.67	55.44

Captive power plant: Power generation **(in kilolitres)**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source		
i) Surface water : KIADB Water supply	405414	667176
ii) Groundwater	0	0
iii) Third party water (Return condensate)	25480	40646
iv) Seawater / desalinated water (Rain water collected)	17153	78319
v) Others (Recycled)	04	1050
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**448047**	**787191**
Total volume of water consumption (in kilolitres)	**448047**	**787191**
Water intensity per rupee of turnover (Water consumed / turnover) Actual Water used power generation in KL	0.0000218	0.0000317
Water intensity (optional) – the (Water consumption/MW Power generation: KL/MW relevant metric may be selected by the entity)	22.208	23.57

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4) Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company operates best-in-class Zero Liquid Discharge (ZLD) water management plants across all its manufacturing facilities. We are mindful of our water consumption, continually optimizing its usage through the manufacturing process, capturing and recycling as much as possible, while also rejuvenating water sources. We have achieved 99.3% Water Recovery at our ZLD Facilities.

5) Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Ton/annum	395	468
SOx	Ton/annum	305	529
Particulate matter (PM)	Ton/annum	237	262
Persistent organic pollutants (POP)	Ton/annum	NA	NA
Volatile organic compounds (VOC)	Ton/annum	NA	NA
Hazardous air pollutants (HAP)			
Others – Ozone Depleting Substances (HCFC-22 or R-22)	Ton/annum	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	*FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	127584	298858
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	115808	64754
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent	0.000011857	0.000013
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Emission/Ton of Production MT/TON	12.06	10.89

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7) Does the entity have any project related to reducing GreenHouse Gas emissions? If Yes, then provide details.

As a part of our mission to be carbon neutral by 2030, we are embarking on journey by taking up specific projects such as switching from coal to biomass and enhancing green energy portfolio. We are actively reducing our carbon footprint by adopting cleaner processes, while increasing energy and resource efficiencies. Our aim is to be carbon neutral by 2030 based on improvements in energy efficiency and embracing renewable energy, among other initiatives.

We have achieved 88,142 Tonnes Reduction in CO_2 Emissions.

8) Provide details related to waste management by the entity, in the following format: **(in metric tonnes)**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	42	77
E-waste **(B)**	0.84	0.62
Bio-medical waste **(C)**	0	0
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	0.34	0.35
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	3676	4678
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2599	2773
Total (A+B + C + D + E + F + G + H)	**6318**	**7529**

(in metric tonnes)

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i) Recycled	240.2	253.27
ii) Re-used	–	–
iii) Other recovery operations	–	–
Total	**240.2**	**253.27**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i) Incineration	0	0
ii) Landfilling	3476	4678
iii) Other disposal operations	0	0
Total	**3476**	**4678**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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

Himatsingka is leading the way in reducing waste by operating a zero-paper shopfloor, reducing the use of plastics, introducing sustainable packaging solutions and reusing waste. Our 'conscious portfolio' innovatively uses recycled fibers, natural finishes and reduced water consumption in the manufacturing process. We have saved and re-purposed 964 tonnes of waste.

The Company has a mechanism to recycle products and waste. Over 99% of all waste is recycled or recyclable.

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

No

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

12) Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, The Company is complying to all applicable environmental law/regulations/guidelines such as Water Act, Air Act, Environment Protection Act and Rules.

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

Leadership Indicators

1) Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

(In Joules)

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	62099310000	268037316640
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**62099310000**	**268037316640**

From non-renewable sources		
Total electricity consumption (D)	510064908407	809697524824
Total fuel consumption (E)	1280884033800	3003763278350
Energy consumption through other sources (F)	13740963600	25839759400
Total energy consumed from non-renewable sources (D+E+F)	**1804689905807**	**3839300562574**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2) Provide the following details related to water discharged: **(In kilolitres)**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
i) To Surface water	0	0
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
ii) To Groundwater	0	0
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
iii) To Seawater	0	0
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
iv) Sent to third-parties	0	0
– No treatment	0	0
– With treatment – please specify level of treatment	0	0
v) Others (STP-Treated water)	20477	58925
– No treatment	0	0
– With treatment – please specify level of treatment	Aeration / Settling/ RO	Aeration / Settling/ RO
Total water discharged (in kilolitres)	**20477**	**58925**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3) Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

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

i) Name of the area: Textile -Sheeting and Terry process

ii) Nature of operations: Textile wet processing (Yarn and fabric processing)

iii) Water withdrawal, consumption and discharge in the following format:

Not applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

4) Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		–	–
Total Scope 3 emissions per rupee of turnover		–	–
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5) With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6) If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No .	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	ZLD (Zero Liquid discharge of treated effluent) -System	Entire effluent generated from process is being treated to recycling standards, recovered and re-used for production activity.	Water requirement for production activity only through the recycled water and meeting ZLD.
2.	Water savings in process production	Reduced water consumption from 48KL/Ton of production to 42KL/Ton of production	Reduced effluent generation followed by operation cost.

7) Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The business continuity and disaster management plan is part of the internal Information Security/Cyber Security Policy.

Appropriate contingency and data back-up plans are formulated to ensure that the organization is able to effectively deal with major disasters, to protect critical business process from the effects of major failures and ensure their timely resumption.

8) Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant impact.

9) Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

Essential Indicators

1) a) Number of affiliations with trade and industry chambers/ associations.

The Company is a member of six (6) trade and industry chambers/ associations.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of / affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
1.	TEXPROCIL – Cotton Textile Export Promotion Council	National
2.	ISEPC – Indian Silk Export Promotion Council	National
3.	FKCCI – Federation of Karnataka Chamber of Commerce and Industry	State
4.	FIEO – Federation of Indian Export Organization	National
5.	CII – Confederation of Indian Industry	National
6.	BCIC – Bangalore Chamber of Industry and Commerce	State

2) Provide details of corrective action taken or underway on any issues related to anti competitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse orders received from regulatory authorities for anti-competitive conduct.

Name of authority	Brief of the case	Corrective action taken
	Nil	

Leadership Indicators

1) Details of public policy positions advocated by the entity:

The Company has advocated on economic reforms, export policies and infrastructural needs through various trade and industry chambers/ associations organizations.

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others – please specify)	Web Link, if available
			Nil		

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

Essential Indicators

1) Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
			Nil		

2) Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3) Describe the mechanisms to receive and redress grievances of the community.

At Himatsingka Seide Ltd., we believe that the growth of our company depends on the economic, environmental and social sustainability of our communities.

The company is informed of any grievances from communities through face to face meetings or through any medium. The focus areas are decided based on the requirements or recommendations received by the general public or nearby panchayats. In addition, the Company also has an internal grievance mechanism that covers all our stakeholders including communities in which we operate.

4) Percentage of input material (inputs to total inputs by value) sourced from suppliers:

The Company sources goods and services from the area surrounding its operating facilities to the extent possible.

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	67.96%	50%
Sourced directly from within the district and neighboring districts	51.86%	22%

Leadership Indicators

1) Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2) Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The Companies plant locations does not fall under Aspirational districts. Hence CSR Projects do not cover any designated aspirational districts

Sl. No.	State	Aspirational District	Amount spent (In INR)
Not applicable			

3) a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

b) From which marginalized /vulnerable groups do you procure?

Not Applicable

c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4) Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5) Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6) Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	The Company has spent towards Corporate Social Responsibility as per the statutory requirements in areas permitted under the Company Act 2013 and as per the CSR Policy adopted by the Company. The Company has not undertaken any social impact assessment and hence quantification of persons benefited under CSR projects or beneficiaries of people from vulnerable and marginalized groups is not available.		

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1) Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have the following mechanism in place to receive and respond to Customer complaints:

Customer Complaints:

- Acknowledge the email from customer within 24hrs.
- Log the complaint in the complaint register and send the detail to factory along with the complaint number.
- Root cause analysis will be done by the factory team and the Corrective and preventive Action (CAPA) to be submitted with in 48hrs.
- CAPA will be submitted to Customer with the assurance that it won't occur in the future.
- Closure to the complaint will be made with a replacement of the product or with a credit note, based on the agreement.

Customer Feedback:

- Customer Feedback will be assessed through Customer Satisfaction Form.
- There is a questionnaire (set of 10 questions under different parameters) that will be sent to customer at the end of every fiscal year.
- Customer will rate our service 1 to 10 (Not Satisfactory/Good/Very Good/Excellent) under each of the parameters in the feedback form.
- The feedback form will be reviewed with factory once we receive it from the Customers.
- The respective department submit their CAP if their service is rated 7 or below (Not Satisfactory/Good) for Management review.
- The continuous improvement in the service level will be monitored by the Senior Management team.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

The Company adheres to all the applicable regulations regarding product labelling and display's relevant information on it.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	86%
Safe and responsible usage	74%
Recycling and/or safe disposal	21%

3) Number of consumer complaints in respect of the following:

None received till date

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4) Details of instances of product recalls on account of safety issues:

Not Applicable

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls		

5) Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has an internal Information Security/Cyber Security Policy. The objective of the policy is to provide management direction and support for Information Security in accordance to the business requirements, relevant laws and regulations.

The policy applies to employees, contractors, consultants, temporary workers and other workers at Himatsingka Seide Limited (HSL), including all personnel affiliated with third parties. The policy also applies to all equipment that is owned or leased by HSL.

The information security policy is communicated to all the employees and is made available to relevant interested parties. All staff will receive at the minimum a yearly information security awareness e-mail.

The organization works to protect the integrity of its software and its information assets against the introduction of malicious code (malware).

6) Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services Cyber Security/Data Privacy:

None

Leadership Indicators

1) Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

https://www.himatsingka.com/brands

2) Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Our business success depends upon our ability to foster lasting customer relationships. The Company is committed to dealing with customers fairly, honestly and with integrity. We take measures to ensure information we supply to customers should be accurate and complete to the best of our knowledge, and we should not deliberately misrepresent information to customers. Our Product labels have all the valid and required information.

3) Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Our products do not form part of essential services. Hence not applicable.

4) Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Not Applicable

5) Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes through informal communications.

6) Provide the following information relating to data breaches:

a) Number of instances of data breaches along-with impact

None

b) Percentage of data breaches involving personally identifiable information of customers

Nil

Independent Auditors' Report

To the Members of Himatsingka Seide Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Himatsingka Seide Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	Revenue recognition Refer note 2.1 and note 20 to the standalone financial statements. 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 Company 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 Company'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 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.	Our audit procedures in respect of this area included: 1. Assessed the appropriateness of the Company's revenue recognition accounting policies as per Ind AS 115 Revenue from Contracts with Customers. 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 Company. 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 standalone financial statements in compliance with the requirements of Ind AS 115.

Independent Auditors' Report on the Audit of the Standalone Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2023 (continued)

Sl. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2.	Assessment for impairment of investments in subsidiaries Refer note 2.14 and note 4A to the standalone financial statements with respect to carrying value of investments in subsidiaries. The Company has made significant investments in subsidiaries which are recorded at cost less accumulated impairment. The carrying value of these investments in the Company's subsidiaries as at March 31, 2023 is ₹.95,644.44 lacs (₹. 95,577.12 lacs March 31, 2022). The Company performs periodic assessment of these investments to identify any indicators of impairment and make adequate provisions in accordance with Ind AS 36 Impairment of Assets. The determination of recoverable value for impairment assessment, being higher of fair value less costs of disposal and value in use, involves significant judgements and estimates including weighted average cost of capital; sales growth rate; operating margins (%); discount rate (%); and perpetuity growth rate (%). Changes in these assumptions, if any could lead to significant changes in the value of investment in subsidiaries and accordingly impairment provision. Considering the significant degree of management judgement involved in the assumptions used for computation of the recoverable amount, this is determined as key audit matter.	Our audit procedures in respect of this area included: 1. Assessed whether the Company's accounting policies relating to the impairment of investments in subsidiaries are in accordance with Ind AS 36 Impairment of Assets. 2. Obtained an understanding from the management of the process for assessment of impairment of investments in subsidiaries and tested the design of key controls and operating effectiveness of the relevant key controls around this process. 3. Evaluated the appropriateness of the inputs and assumptions underlying management's assessment of indicators of impairment for investments in subsidiaries. 4. Involved our valuation specialists to test the underlying assumptions used by management along with their external experts in computing recoverable value of investments in subsidiaries, such as weighted average cost of capital, sales growth rate, operating margins, perpetuity growth rate and discount rate. 5. Evaluated the competence and objectivity of the valuation specialist engaged by the management. 6. Performed a sensitivity analysis to evaluate the impact of changes in key assumptions individually or collectively to the recoverable value. 7. Tested the arithmetical accuracy of the management's impairment testing model. 8. Assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements in compliance with the requirements of Ind AS 36.

Sl. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3.	Recognition of government grants and assessment of its recoverability Refer note 2.5 to accounting policies and the disclosures related to government grants in Note 6 and 8 to the accompanying standalone financial statements. The Company 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 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 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 time of recognition involves judgement and assumptions which are subject to uncertainty. The 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 the assessment of its recoverability.	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. 4. Evaluated the Company'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 standalone financial statements as per applicable Indian Accounting Standards

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The 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 standalone financial statements and our auditors' 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 auditors' report.

Our opinion on the standalone 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 standalone 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 standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report, etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditors' responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

We give in "Annexure A" a detailed description of Auditors' responsibilities for Audit of the Standalone Financial Statements.

OTHER MATTER

The standalone financial statements of the 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.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1) As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by Section 143(3) of the Act, we report that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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

    e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors 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 the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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

        i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 28 to the standalone financial statements;

        ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

Independent Auditors' Report on the Audit of the Standalone Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2023 (continued)

iv) 1) The Management has represented that, to the best of its 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 Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act 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 Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3) In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

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

Amit Kumar Jhunjhunwala
Partner
Membership No. 067183
UDIN: 23067183BGWNTR9477

Place : Bengaluru
Date : May 30, 2023

Annexure A to the Independent Auditors' Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2023

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2023 and are therefore, the key audit matters. We describe these matters in our auditors' 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: 23067183BGWNTR9477

Place: Bengaluru
Date : May 30, 2023

Annexure B to the Independent Auditors' Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2023

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i) a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

B) The Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements/ lease cum sale agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company.

d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii) a) The inventory (except for stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

b) The Company has been sanctioned working capital limits in excess of ₹. 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:

(₹ Lacs)

Quarter ended	Amount as per quarterly returns	Amount as per books of accounts	Difference
December 31, 2022 – Inventories	26,321.62	28,542.14	2,220.52
December 31, 2022 – Trade receivables	104,564.36	118,112.92	13,548.56
December 31, 2022 – Trade payables	51,195.23	57,942.48	6,747.25

iii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in companies, firms, limited liability partnership or in any other parties during the year. The Company has not granted any loans, secured or unsecured to companies, firms or limited liability partnership during the year. The Company has granted loans (other parties), in respect of which the requisite information is given below:

Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to employees (other parties) as below:

(₹ Lacs)

Particulars	Loans
Aggregate amount granted/provided during the year	
• Others	51.19
Balance outstanding as at balance sheet date in respect of above cases	
• Others	21.72

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of loans to other parties are not prejudicial to the interest of the Company.

c) In case of the interest free loans given to other parties (employees), the schedule of repayment are stipulated and the receipts have been regular.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan granted to other parties. Further, the Company has not given any advance in the nature of loan to any party during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advance in the nature of loan to any party during the year.

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. However, the Company has accepted advances from customers which fall within the scope of deemed deposits for the purpose of this clause in respect of which the relevant rules, to the extent applicable, have been complied with.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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 though there has been a slight delay 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 for a period of more than six months from the date they became payable.

Annexure B to the Independent Auditors' Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2023 (Continued)

b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (in ₹. lacs)	Period to which amount is relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	30.50	AY 2006-07, 2009-10	Income Tax Appellate Tribunal, Kolkata
Income-tax Act, 1961	Income tax	1,012.19	AY 2008-09, 2010-11, 2013-14, 2014-15, 2016-17, 2017-18	Income Tax Appellate Tribunal, Kolkata
Income-tax Act, 1961	Income tax	80.12	AY 2018-19	Assistant Commissioner of Income Tax, Bangalore
Central Excise Act, 1944	Excise duty and penalty	668.90 (28.47)*	FY 2002-03 to FY 2009-10, FY 2012-13 to FY 2015-16	Customs Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Customs duty and penalty	641.46 (18.05)*	FY 2015-20	Customs Excise & Service Tax Appellate Tribunal

*represents amounts paid under protest

viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in tax assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix) a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not hold any interest in associates or joint ventures.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x) a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.

b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.

xi) a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statements for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

Annexure B to the Independent Auditors' Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2023 (Continued)

c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.

xii) The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered internal audit reports of the Company issued till date, for the period under audit.

xv) According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.

xvi) a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3(xvi)(a) of the Order are not applicable to the Company.

b) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3(xvi)(b) of the Order are not applicable to the Company.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(c) of the Order are not applicable to the Company.

d) The Group does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3(xvi)(d) of the Order are not applicable to the Company.

xvii) Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3(xvii) of the Order are not applicable to the Company.

xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3(xviii) of the Order are not applicable to the Company.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

b) In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance Section 135(6) of the said Act. This matter has been disclosed in note 26.2 to the standalone financial statements.

Annexure B to the Independent Auditors' Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2023 (Continued)

xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

Amit Kumar Jhunjhunwala
Partner
Membership No. 067183
UDIN: 23067183BGWNTR9477

Place: Bengaluru
Date : May 30, 2023

Annexure C to the Independent Auditor's Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2023

[Referred to in paragraph 2(f) 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 standalone 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

We have audited the internal financial controls with reference to standalone financial statements of Himatsingka Seide Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Annexure C to the Independent Auditors' Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2023 (continued)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Amit Kumar Jhunjhunwala
Partner
Membership No. 067183
UDIN: 23067183BGWNTR9477

Place: Bengaluru
Date : May 30, 2023

Standalone Balance Sheet

Himatsingka Seide Limited

(₹ Lacs)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	231,532.58	242,397.34
Capital work-in-progress	3.1	2,988.06	4,428.46
Intangible assets	3.3	1,329.45	1,335.32
Financial assets			
i) Investments	4A	95,644.44	95,577.12
ii) Loans	5	56.07	56.07
iii) Other financial assets	6	1,717.90	1,551.69
Income tax assets (net)	7A	1,496.56	1,359.50
Other non-current assets	8	3,805.72	4,588.55
Total non-current assets		**338,570.78**	**351,294.05**
Current assets			
Inventories	9	22,770.09	41,101.32
Financial assets			
i) Investments	4B	964.52	1,309.48
ii) Trade receivables	10	127,588.31	95,139.16
iii) Cash and cash equivalents	11A	5,192.77	11,090.93
iv) Bank balances other than (iii) above	11B	4,929.18	5,183.07
v) Loans	5	86.58	88.57
vi) Other financial assets	6	20,861.62	19,495.97
Other current assets	8	15,282.48	29,634.92
Total current assets		**197,675.55**	**203,043.42**
Total assets		**536,246.33**	**554,337.47**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	4,922.86	4,922.86
Other equity	13	161,806.21	166,080.29
Total equity		**166,729.07**	**171,003.15**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	14	142,994.82	151,692.24
Provisions	15	1,778.68	1,997.05
Deferred tax liabilities (net)	7B	8,700.86	10,325.17
Other non-current liabilities	16	24,787.96	26,602.59
Total non-current liabilities		**178,262.32**	**190,617.05**
Current liabilities			
Financial liabilities			
i) Borrowings	17	118,037.48	112,504.18
ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	18	8,122.27	10,015.21
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	54,149.59	54,869.68
iii) Other financial liabilities	19	7,360.33	6,352.85
Other current liabilities	16	2,513.50	3,039.84
Provisions	15	1,071.77	1,448.28
Current tax liabilities (net)	7A	–	4,487.23
Total current liabilities		**191,254.94**	**192,717.27**
Total liabilities		**369,517.26**	**383,334.32**
Total equity and liabilities		**536,246.33**	**554,337.47**
Summary of significant accounting policies	2		

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

As per our report of even date attached

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

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

Amit Kumar Jhunjhunwala
Partner
Membership number : 067183

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

Place: Bengaluru
Date : 30 May 2023

Standalone Statement of Profit and Loss

Himatsingka Seide Limited **(₹ Lacs)**

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	20	205,274.10	285,897.65
Other income	21	7,739.95	1,993.96
Total income		**213,014.05**	**287,891.61**
Expenses			
Cost of raw materials and packing materials consumed	22A	103,351.62	164,826.73
Changes in inventories of finished goods and work-in-progress	22B	14,425.02	(4,997.84)
Employee benefits expense	23	24,020.98	27,715.85
Finance costs	24	21,458.37	14,686.06
Depreciation and amortisation expense	25	11,804.34	11,384.87
Other expenses	26	42,188.11	51,891.95
Total expenses		**217,248.44**	**265,507.62**
Profit / (loss) before tax		**(4,234.39)**	**22,383.99**
Tax expense			
Current tax	31	–	4,274.00
Deferred tax	31	(1,214.87)	2,677.42
Total tax expense		**(1,214.87)**	**6,951.42**
Profit / (loss) for the year		**(3,019.52)**	**15,432.57**
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 will be reclassified to profit or loss			
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 (loss) / income for the year, net of tax		**(762.27)**	**145.00**
Total comprehensive (loss) / income for the year		**(3,781.79)**	**15,577.57**
Earnings / (loss) per equity share (face value of ₹ 5 each)			
Basic and diluted (in ₹)	32	**(3.07)**	**15.67**
Summary of significant accounting policies	2		

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

As per our report of even date attached

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

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

Amit Kumar Jhunjhunwala
Partner
Membership number : 067183

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

Place: Bengaluru
Date : 30 May 2023

Standalone Statement of Changes in Equity

Himatsingka Seide Limited

A. Equity share capital (refer note 12) (₹ Lacs)

Particulars	
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 (refer note 13)

Particulars	Reserves and surplus (refer note 13)				Other comprehensive income		Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings	Effective portion of cash flow hedge	Remeasurement of net defined benefit liability	
Balance as at 1 April 2021	**17.04**	**27,675.71**	**17,270.17**	**105,884.62**	**489.94**	**(342.47)**	**150,995.01**
Profit for the year	–	–	–	15,432.57	–	–	15,432.57
Other comprehensive income for the year, net of tax	–	–	–	–	129.96	15.04	145.00
Payment of dividend	–	–	–	(492.29)	–	–	(492.29)
Balance as at 31 March 2022	**17.04**	**27,675.71**	**17,270.17**	**120,824.90**	**619.90**	**(327.43)**	**166,080.29**
Balance as at 1 April 2022	**17.04**	**27,675.71**	**17,270.17**	**120,824.90**	**619.90**	**(327.43)**	**166,080.29**
Loss for the year	–	–	–	(3,019.52)	–	–	(3,019.52)
Other comprehensive income for the year, net of tax	–	–	–	–	(1,014.13)	251.86	(762.27)
Payment of dividend	–	–	–	(492.29)	–	–	(492.29)
Balance as at 31 March 2023	**17.04**	**27,675.71**	**17,270.17**	**117,313.09**	**(394.23)**	**(75.57)**	**161,806.21**
Summary of significant accounting policies (refer note 2)							

The accompanying notes are an integral part of these standalone 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

Standalone Statement of Cash Flows

Himatsingka Seide Limited **(₹ Lacs)**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
Profit / (loss) for the year	(3,019.52)	15,432.57
Adjustments for:		
Finance costs	21,458.39	14,686.06
Interest income	(373.02)	(275.00)
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
Loss allowances on financial assets (net)	256.61	35.64
Net loss on disposal of property, plant and equipment	(1,895.80)	146.13
Amortized value of employee loans and security deposits	7.31	24.36
Income on financial guarantee contracts	(67.32)	(73.24)
Depreciation and amortisation expense	11,804.34	11,384.87
Net unrealised foreign exchange loss on non operating activities	472.78	107.09
Tax expense	(1,214.87)	6,951.42
Operating profit before working capital changes	**27,420.17**	**48,399.99**
Adjustments for changes in working capital		
(Increase)/decrease in trade receivables	(32,705.76)	(28,862.94)
(Increase)/decrease in inventories	18,331.23	(7,778.38)
(Increase)/decrease in other assets	14,481.20	(17,022.50)
Increase/(decrease) in trade payables	(2,613.03)	10,645.12
Increase/(decrease) in provisions	(207.74)	496.18
Increase/(decrease) in other liabilities	(986.64)	205.72
Cash generated from operations	**23,719.43**	**6,083.19**
Income taxes paid (net)	(4,624.30)	(2,178.62)
Net cash flow from operating activities (A)	**19,095.13**	**3,904.57**
Cash flows from investing activities		
Proceeds from sale of current investments (net)	353.70	700.46
Interest received	539.97	8,087.72
Acquisition of property, plant and equipment and intangible assets (net)	(972.93)	(14,655.31)
Investment in subsidiaries (refer note 4A.1)	–	(8,440.82)
Investment in fixed deposits	(16,901.49)	(42,137.71)
Proceeds from fixed deposits maturity	17,198.74	42,285.89
Net cash flow from / (used in) investing activities (B)	**217.99**	**(14,159.77)**
Cash flows from financing activities		
Proceeds from / (repayment of) current borrowings (net)	10,067.65	16,063.91
Proceeds from non-current borrowings	69,788.11	50,774.11
Repayment of borrowings-non current	(83,318.90)	(35,867.88)
Dividends paid	(492.29)	(492.28)
Proceeds from government subsidies	2,748.67	5,549.92
Interest paid	(24,004.52)	(21,188.86)
Net cash flow from / (used in) financing activities (C)	**(25,211.28)**	**14,838.92**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**(5,898.16)**	**4,583.72**
Cash and cash equivalents at the beginning of the year	11,090.93	6,507.21
Cash and cash equivalents at the end of the year	**5,192.77**	**11,090.93**
Components of cash and cash equivalents (refer note 11A)		
Cash and cash equivalents comprise of:		
Cash in hand	6.63	8.31
Balance with banks		
– in current accounts	5,186.14	8,691.62
– in deposit accounts (with original maturity period of less than three months)	–	2,391.00
Total	**5,192.77**	**11,090.93**

Reconciliation between opening and closing balances in the balance sheet for liabilities 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)	165,795.30	(13,530.79)	299.00	152,563.51
Current borrowings (excluding current maturities of non current borrowings)	98,401.14	10,067.65	–	108,468.79
Interest accrued but not due	1,719.05	(24,004.52)	24,537.55	2,252.08
Total liabilities from financing activities	**265,915.49**	**(27,467.66)**	**24,836.55**	**263,284.38**

Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities

(₹ Lacs)

	Opening balance 1 April 2021	Net cash flows	Non-cash movement	Closing balance 31 March 2022
Non current borrowings (including current maturities)	150,351.37	14,906.23	537.70	165,795.30
Current borrowings (excluding current maturities of non current borrowings)	82,337.23	16,063.91	–	98,401.14
Interest accrued but not due	1,330.79	(21,188.86)	21,577.12	1,719.05
Total liabilities from financing activities	**234,019.39**	**9,781.28**	**22,114.82**	**265,915.49**

The Standalone 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 significant accounting policies (refer note 2)

The accompanying notes are an integral part of these standalone 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

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

Place: Bengaluru
Date : 30 May 2023

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Corporate information

Himatsingka Seide Limited ('the Company') is a public limited Company incorporated in India and is listed on Bombay Stock Exchange and National Stock Exchange. The Company is primarily engaged in manufacturing of home textiles.

The Company's standalone 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.

1.1 Statement of compliance

These standalone 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.

1.2 Basis of preparation

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

1.3 Functional and presentation currency

These standalone 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 up to two decimals unless otherwise stated.

1.4 Use of estimates, assumptions and judgements

The preparation of the standalone financial statements in conformity with recognition and measurement principles of 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 standalone 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 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:

Determination of the estimated useful lives:

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.

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, investments, 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 turnover and earnings multiples, 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 Company 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 Company expects to receive, discounted at an approximation of the original effective interest rate (in case of non-current financial assets).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 Company 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 Company 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 Company 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 Company reassesses the recoverability of these grants at each balance sheet date.

1.5 Measurement of fair values

The Company 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 Company.

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

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

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 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 Company 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 Company 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 33: financial instruments.

1.6 Current versus non-current classification

All assets and liabilities have been classified as current or non-current based on the Company'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 Company has identified twelve months as its operating cycle.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Revenue recognition

Revenue from contracts with customers – sale of goods:

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

The Company derives its revenue primarily from sale of products.

The Company 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 recognized to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.

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

The Company 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 Company 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 recognized 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 contracts with the 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 amortised 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 recognised.

2.2 Other income

Other income comprises interest income, 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.

2.3 Leases

The Company 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.

Company as a lessee

The Company 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 Company 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 standalone statement of profit and loss.

ii) Lease liabilities

The Company 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 Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, 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 Company 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 Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and standalone 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 Company recognizes any remaining amount of the re-measurement in standalone statement of profit and loss.

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

The Company 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 Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.4 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 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.

2.5 Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company 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 standalone 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 standalone statement of profit and loss over the periods and in proportions in which depreciation expense on those assets is recognized.

Income from export incentives is recognized in the standalone 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 standalone 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.

2.6 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 standalone statement of profit and loss does not include an expected return on plan assets. Instead net interest recognized in profit and 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 remeasurement of net defined liability or asset through other comprehensive income.

Remeasurements 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.

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 recognized 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 recognized for the amount expected to be paid e.g. short term performance incentive, if the Company 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 standalone statement of profit and loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c) Compensated absences

The employees of the Company 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 Company 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 standalone statement of profit and loss. The Company 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 Company makes specified monthly contributions towards employee Provident Fund, ESIC to the regulatory authorities. Such benefits are classified as defined contribution plan. The Company's contribution is recognized as an expense in the standalone statement of profit and loss during the period in which the employee renders the related service.

2.7 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the standalone 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 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 standalone 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 Company 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.

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 Company 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 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 Company 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.

2.8 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 labor 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 Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the standalone 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 standalone statement of profit and loss.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is 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 recognized in the Standalone 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 Company 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

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.

2.9 Intangible assets

a) Recognition and measurement

Acquired intangible assets

Intangible assets that are acquired by the Company 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 Company 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.

b) Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

c) Amortization

The Company amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles are as follows:

Class of assets	Useful life
Computer software	4-10 years
Technical know-how	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.

d) 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 standalone statement of profit and loss.

2.10 Impairment of non-financial assets

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 Cash generating unit (CGU) to which the asset belongs.

If such assets/ CGU are considered to be impaired, the impairment to be recognized in the Standalone 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 Standalone 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.

2.11 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.

2.12 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 standalone 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 standalone 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 2.4 regarding exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

2.13 Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Company 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 Company. Contingent liabilities are disclosed by way of note to the standalone Ind AS financial statements.

2.14 Investment in subsidiaries

Investment in subsidiaries are shown at cost less impairment losses if any. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the standalone statement of profit and loss.

On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the standalone statement of profit and loss.

2.15 Financial Instruments

a) Initial recognition and initial measurement

The financial assets and financial liabilities are initially recognized when the Company 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.

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 the Company 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 Company 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 Company 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 standalone 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 statement of profit and loss. Any gain or loss on derecognition is recognized in the standalone 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 Standalone 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 standalone statement of profit and loss.
Equity investments recognized at FVOCI	These assets are subsequently measured at fair value. Dividends are as income in the Standalone 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 standalone statement of profit and loss.

Impairment of financial assets

The Company 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 Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company 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 Company 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 Company reverts to recognizing impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognized only when:

- the Company 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 the Company has transferred an asset, the Company 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 Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company 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 Company 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 Company 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 standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the standalone statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and 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 profit or 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 standalone statement of profit and loss.

Financial guarantee contracts

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

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company 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 standalone 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 Company 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.

2.16 Derivative financial instruments and hedge accounting

The Company 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 standalone statement of profit and loss.

The Company 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 Company documents the risk management objective and strategy for undertaking the hedge. The Company 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 standalone 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 standalone statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the standalone 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 standalone statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the standalone 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 standalone statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the standalone statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

2.17 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.

2.18 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.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit 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 Company are segregated.

2.20 Cash dividend

The Company recognizes a liability to make dividend distributions to equity holders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. 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 Company's Board of Directors.

2.21 Segment reporting

An operating segment is a component of the Company 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 Company), whose operating results are regularly reviewed by the Company's 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 Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.22 Recent accounting 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 Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone 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 Company has evaluated the amendment and there is no impact on its Standalone 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 Company has evaluated the amendment and there is no impact on its standalone financial statements.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 3.1 : Property, plant and equipment

(₹ Lacs)

Particulars	Land (refer note 3.1.2)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Books and catalogue	Total	Capital work-in-progress
Cost:									
Balance as at 1 April 2021	**26,682.52**	**72,077.52**	**217,341.03**	**2,966.56**	**3,504.68**	**147.53**	**544.01**	**323,263.85**	**14,155.59**
Additions	416.11	215.13	14,365.72	45.31	164.82	–	–	15,207.09	5,479.96
Disposals	–	(178.02)	(330.82)	(329.57)	(70.24)	(4.30)	–	(912.95)	–
Transfers/Capitalised	–	–	–	–	–	–	–	–	(15,207.09)
Balance as at 31 March 2022	**27,098.63**	**72,114.63**	**231,375.93**	**2,682.30**	**3,599.26**	**143.23**	**544.01**	**337,557.99**	**4,428.46**
Balance as at 1 April 2022	**27,098.63**	**72,114.63**	**231,375.93**	**2,682.30**	**3,599.26**	**143.23**	**544.01**	**337,557.99**	**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)
Balance as at 31 March 2023	**26,816.42**	**74,448.23**	**228,900.52**	**2,718.65**	**3,809.63**	**143.23**	**544.01**	**337,380.69**	**2,988.06**
Accumulated depreciation:									
Balance as at 1 April 2021	**–**	**(9,153.23)**	**(68,623.44)**	**(1,469.57)**	**(3,222.67)**	**(120.65)**	**(389.98)**	**(82,979.55)**	**–**
Depreciation charge for the year		(2,620.59)	(10,118.00)	(81.17)	(22.46)	(4.60)	(97.41)	(12,944.23)	–
Disposals		178.02	181.03	329.57	70.20	4.30		763.12	–
Balance as at 31 March 2022	**–**	**(11,595.80)**	**(78,560.41)**	**(1,221.17)**	**(3,174.93)**	**(120.95)**	**(487.39)**	**(95,160.66)**	**–**
Balance as at 1 April 2022	**–**	**(11,595.80)**	**(78,560.41)**	**(1,221.17)**	**(3,174.93)**	**(120.95)**	**(487.39)**	**(95,160.66)**	**–**
Depreciation charge for the year		(2,575.84)	(10,340.44)	(125.18)	(291.22)	(4.56)	(38.05)	(13,375.29)	–
Disposals		–	2,687.84	–	–	–	–	2,687.84	–
Balance as at 31 March 2023	**–**	**(14,171.64)**	**(86,213.01)**	**(1,346.35)**	**(3,466.15)**	**(125.51)**	**(525.44)**	**(105,848.11)**	**–**
Net book value:									
As at 31 March 2023	**26,816.42**	**60,276.59**	**142,687.50**	**1,372.30**	**343.48**	**17.72**	**18.57**	**231,532.58**	**2,988.06**
As at 31 March 2022	**27,098.63**	**60,518.83**	**152,815.51**	**1,461.13**	**424.33**	**22.28**	**56.62**	**242,397.34**	**4,428.46**

Notes

3.1.1 Refer note 14.1, 17.2 and 36.3 for information on property, plant and equipment pledged as security by the Company.

3.1.2 The Company has entered into a 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.

3.1.3 The above assets other than to the extent mentioned in note 3.1.2 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	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 : Intangible assets **(₹ Lacs)**

Particulars	Computer software	Technical know-how	Total
Cost:			
Balance as at 1 April 2021	**3,115.23**	**324.22**	**3,439.45**
Additions	98.38	–	98.38
Disposals	(229.40)	–	(229.40)
Balance as at 31 March 2022	**2,984.21**	**324.22**	**3,308.43**
Balance as at 1 April 2022	**2,984.21**	**324.22**	**3,308.43**
Additions	349.44	–	349.44
Disposals	–	–	–
Balance as at 31 March 2023	**3,333.65**	**324.22**	**3,657.87**
Accumulated amortisation:			
Balance as at 1 April 2021	**(1,731.87)**	**(129.68)**	**(1,861.55)**
Amortisation	(308.54)	(32.42)	(340.96)
Disposals	229.40	–	229.40
Balance as at 31 March 2022	**(1,811.01)**	**(162.10)**	**(1,973.11)**
Balance as at 1 April 2022	**(1,811.01)**	**(162.10)**	**(1,973.11)**
Amortisation	(322.89)	(32.42)	(355.31)
Disposals	–	–	–
Balance as at 31 March 2023	**(2,133.90)**	**(194.52)**	**(2,328.42)**
Net book value:			
As at 31 March 2023	**1,199.75**	**129.70**	**1,329.45**
As at 31 March 2022	**1,173.20**	**162.12**	**1,335.32**

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 4 : Investments **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
4A : Non-current investments		
Unquoted Investments		
A. Investments in equity instruments of subsidiaries (at cost unless stated otherwise)		
Himatsingka Holdings North America, Inc. (refer note 4A.1)	93,960.46	93,893.14
Equity shares of USD 10,000 each fully paid up		
[No. of shares: 12,806 (As at 31 March 2022: 12,806)]		
Himatsingka Wovens Private Limited	1,683.98	1,683.98
Equity shares of INR 100 each fully paid up		
[No. of shares: 17,50,000 (As at 31 March 2022: 17,50,000)]		
Twill & Oxford LLC	37.35	37.35
Equity shares of AED 100 each fully paid up		
[No. of shares: 1,470 (As at 31 March 2022: 1,470)]		
Less: Provision towards impairment of investments (refer note 38)	(37.35)	(37.35)
Total	**95,644.44**	**95,577.12**
Aggregate value of unquoted investments	95,644.44	95,577.12
Aggregate amount of impairment in value of investments	37.35	37.35

Note 4A.1 :

In the previous year, the Company made an additional investment of ₹ 8,440.83 lacs in Himatsingka Holdings North America, Inc . These additional investment made included ₹ 73.23 lacs arising from the financial guarantees provided to the subsidiary.

4B : Current investments **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
4B.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
4B.2 : Investment in equity instruments (Unquoted–at fair value through profit and loss)		
Atria Wind Power (Chitradurga) Private Limited	606.51	606.51
Equity shares of INR 251 each fully paid up		
[No. of shares: 2,41,637 (As at 31 March 2022 : 2,41,637)]		
Atria Wind Power (Basavana Bagewadi) Private Limited	358.01	358.01
Equity shares of INR 193 each fully paid up		
[No. of shares: 1,85,226 (As at 31 March 2022 : 1,85,226)]		
Total (B)	**964.52**	**964.52**
Total (A+B)	**964.52**	**1,309.48**
Aggregate value of unquoted investments	964.52	1,309.48

Notes :

4.1 Refer note 14.1 for information on investments pledged as security by the Company.

Note 5 : 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	86.58	88.57
Total	**86.58**	**88.57**

Note 6 : 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 remaining maturity period more than twelve months*	510.06	562.59
Electricity deposits	1,036.82	791.16
Other deposits	171.02	197.94
Total	**1,717.90**	**1,551.69**
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	188.31	278.46
Other receivables	2,175.18	–
Derivative assets–foreign exchange forward contracts	114.09	1,382.97
Total	**20,861.62**	**19,495.97**

*Includes restricted deposits of ₹ 505.00 lacs (31 March 2022: ₹ 556.07 lacs) placed as a lien as on 31 March 2023.

Note 7 : Tax assets and liabilities

Note 7A : 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	22,671.56	22,534.50
Less: Provisions related to the above	(21,175.00)	(21,175.00)
Income tax assets (net)	**1,496.56**	**1,359.50**
Current tax liabilities		
Income tax provisions	12,421.00	16,908.23
Less: Advance tax and taxes deducted at source related to above	(12,421.00)	(12,421.00)
Current tax liabilities (net)	**–**	**4,487.23**

Note 7B : 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 2023	As at 31 March 2022
Deferred tax liabilities		
Property, plant and equipments and intangible assets	31,776.17	30,492.31
Cash flow hedge	–	332.75
Total deferred tax liabilities (A)	**31,776.17**	**30,825.06**
Deferred tax assets		
Provision for gratuity and compensated absences	993.79	1,202.07
Cash flow hedge	211.97	–
Minimum alternate tax (MAT) credit entitlement	17,860.51	17,860.51
Others–business losses, unabsorbed depreciation and other disallowances	4,009.04	1,437.31
Total deferred tax assets (B)	**23,075.31**	**20,499.89**
Net deferred tax liability / (asset) (A-B)	**8,700.86**	**10,325.17**

*Refer note 31

Note 8 : 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	2,666.42	3,257.14
Others	54.39	59.76
Total	**3,805.72**	**4,588.55**
Current		
Advances to suppliers	989.26	901.66
Balances with government authorities (other than income taxes)	5,946.18	6,394.32
Subsidy receivable under various government schemes	5,960.75	18,798.96
Prepaid expenses	1,033.52	1,850.85
Contract acquisition costs	1,336.67	1,671.68
Others	16.10	17.45
Total	**15,282.48**	**29,634.92**

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 9 : 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	4,279.26	7,408.72
Work-in-progress	8,622.68	20,518.58
Finished goods	8,087.51	10,616.63
Stores and spares	1,780.64	2,557.39
Total	**22,770.09**	**41,101.32**
*Refer note 17.2		
Included above, goods-in-transit:		
Raw materials	–	3,209.63
Finished goods	–	39.00
Total	**–**	**3,248.63**

Note 10 : Trade receivables **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	**128,116.03**	**95,410.27**
Less: Allowance for expected credit loss	(527.72)	(271.11)
Net Trade receivables	**127,588.31**	**95,139.16**

All trade receivables are 'current'.

The Company's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in note 33

Note 10.1 : Bill discounting:
At the end of the reporting period, the carrying amount of the trade receivables that have been discounted (with recourse) and 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 17).

Note 10.2 : Details of trade receivables

Of the above, trade receivables from related parties are as below: **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables from related parties (refer note 34)	102,900.12	74,408.15
Total	**102,900.12**	**74,408.15**

For terms and conditions with related parties, refer note 34

Note 10.3 : Expected credit loss assessment for trade receivables as at 31 March 2023 and 31 March 2022 are as follows:

The Company 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 2023	As at 31 March 2022
Balance as at beginning of the year	(271.11)	(254.98)
Change in allowance for expected credit loss (net)	(256.61)	(16.13)
Balance as at end of the year	**(527.72)**	**(271.11)**

The Company's exposure to credit and currency risk related to trade receivables are disclosed in note 33.

Note 10.4: Trade receivables ageing schedule

As at 31 March 2023 (₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1 -2 year	2-3 year	More than 3 years	
Undisputed trade receivables-considered good	117,558.49	7,916.03	214.07	447.20	117.02	116.47	126,369.28
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	**117,558.49**	**7,973.99**	**835.55**	**1,290.32**	**117.02**	**340.66**	**128,116.03**
Less: Allowance for expected credit loss							(527.72)
Net Trade receivables							**127,588.31**

As at 31 March 2022 (₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 year	2-3 year	More than 3 years	
Undisputed trade receivables-considered good	86,473.96	8,060.82	355.72	146.97	56.46	92.15	95,186.08
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	**86,473.96**	**8,060.82**	**355.72**	**146.97**	**56.46**	**316.34**	**95,410.27**
Less: Allowance for expected credit loss							(271.11)
Net Trade receivables							**95,139.16**

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 11A : 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	5,186.14	8,691.62
– in deposit accounts (with original maturity period of less than three months)	–	2,391.00
Total	**5,192.77**	**11,090.93**

Note 11B : 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 11.1)	75.57	84.75
In deposit accounts (with original maturity more than three months but less than twelve months)	4,853.61	5,098.32
	4,929.18	**5,183.07**

Note 11.1 : Other bank balances represent earmarked balances in respect of unpaid dividends.

Note 12 : 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	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
At the commencement of the year	98,457,160	4,922.86	98,457,160	4,922.86
At the end of the year	98,457,160	4,922.86	98,457,160	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 dividend 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Details of shareholders holding more than 5% of equity shares in 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	11,902,000	12.09%	11,902,000	12.09%
Shrikant Himatsingka	8,546,964	8.68%	8,546,964	8.68%
Bihar Mercantile Union Limited	6,268,234	6.37%	6,268,234	6.37%
Rajshree Himatsingka	5,897,260	5.99%	5,897,260	5.99%

Disclosure 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	11,902,000	12.09%	0.00%	11,902,000	12.09%	0.00%
Shrikant Himatsingka	8,546,964	8.68%	0.00%	8,546,964	8.68%	0.00%
Bihar Mercantile Union Private Limited	6,268,234	6.37%	0.00%	6,268,234	6.37%	0.00%
Rajshree Himatsingka	5,897,260	5.99%	0.00%	5,897,260	5.99%	0.00%
Awdhan Trading Company Limited	4,128,736	4.19%	0.00%	4,128,736	4.19%	0.00%
Orient Silk Private Limited	3,434,768	3.49%	0.00%	3,434,768	3.49%	0.00%
Aditya Resources Limited	3,297,470	3.35%	0.00%	3,297,470	3.35%	0.00%
Priya Resources Private Limited	3,121,360	3.17%	0.00%	3,121,360	3.17%	0.00%
Priyadarshini Himatsingka	237,800	0.24%	0.00%	237,800	0.24%	0.00%

Note 13 : Other equity **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve (refer note 13.1)	17.04	17.04
Securities premium account (refer note 13.2)	27,675.71	27,675.71
General reserve (refer note 13.3)	17,270.17	17,270.17
Retained earnings (refer note 13.4)	117,313.09	120,824.90
Reserves and surplus	**162,276.01**	**165,787.82**
Cash flow hedge reserve (refer note 13.5)	(394.23)	619.90
Remeasurement of net defined benefit liability	(75.57)	(327.43)
Other comprehensive income	**(469.80)**	**292.47**
Total	**161,806.21**	**166,080.29**

Notes:

13.1 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.

13.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013

13.3 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.

13.4 Retained earnings comprise of the Company's undistributed earnings after taxes. The amount can be distributed by the Company as dividends to its equity shareholders.

13.5 The cash flow hedge reserve 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 standalone statement of profit and loss when the hedged items (sales of goods) affects profit or loss.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings		
Opening balance	120,824.90	105,884.62
Add: Profit / (loss) for the year	(3,019.52)	15,432.57
Less: Payment of dividends*	(492.29)	(492.29)
Total	**117,313.09**	**120,824.90**
*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.		
Effective portion of cash flow hedge		
Opening balance	619.90	489.94
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	**(394.23)**	**619.90**
Remeasurement of net defined benefit liability or asset		
Opening balance	(327.43)	(342.47)
Other comprehensive income for the year, net of tax	251.86	15.04
Total	**(75.57)**	**(327.43)**

Note 14 : Non current borrowings (₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans: (refer note 14.1)		
Term loans		
From banks	49,717.61	67,162.68
From financial institutions	59,641.16	84,529.56
Non Convertible Debentures		
3,420, redeemable, non convertible debentures (NCD), of face value ₹ 1,000,000 each. (31 March 2022 : Nil)	33,636.05	–
Total	**142,994.82**	**151,692.24**

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 14.1 : 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	–	–	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 9	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 10	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 11	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 12	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 13	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	**49,717.61**	**8,302.51**	**67,162.68**	**5,019.82**		

The rate of interest on the above term loans is in the range of 8.56 % to 12.24 % (31 March 2022 : 4.03% to 10.83%).

ii) Term loan from financial institution (secured)

(₹ 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 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	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 7	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 8	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 9	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 10	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 11	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 12	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 13	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 14	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.
Loan 15	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.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

(₹ 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	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 17	–	–	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 18	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 19	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 20	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 21	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 22	2,897.63	615.40	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 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2023 was 23 installments.
Total	**59,641.16**	**1,266.18**	**84,529.56**	**9,083.22**		

The rate of interest on the above term loans is in the range of 9.23 % to 13.56 % (31 March 2022 : 9.03% 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).

Note 15: Provisions (₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for gratuity (refer note 15.1)	1,778.68	1,997.05
Total	**1,778.68**	**1,997.05**
Current		
Provision for compensated absences	652.16	965.08
Provision for gratuity (refer note 15.1)	419.61	483.20
Total	**1,071.77**	**1,448.28**

Note 15.1 : Employee benefit

The Company operates the following post-employment defined benefit plan.

Defined benefit plan

The Company 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 Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A) Funding

The Company'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 Company expects to pay ₹ 419.61 lacs (31 March 2022 : ₹ 483.20 lacs) is 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/ assets 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 demographic assumptions	–	–
– 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 przesent 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**

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 benefit expense	**364.21**	**375.25**

ii) Remeasurement recognised in other comprehensive income **(₹ Lacs)**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain on defined benefit obligation	(390.22)	(22.72)
Return on plan assets, excluding amount recognised in net interest expense	3.08	(0.40)
Total gain 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) Principal 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 Company'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 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 Company'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	806.95
Employees' state insurance	274.49	329.64
Superannuation fund	–	4.15
Total	**1,727.39**	**1,140.74**

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 16 : Other liabilities **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Deferred income arising from government grants (refer note 16.1 below)	24,787.96	26,602.59
Total	**24,787.96**	**26,602.59**
Current		
Deferred income arising from government grants (refer note 16.1 below)	1,915.07	1,915.07
Advances received from customers	138.18	559.46
Statutory liabilities	460.25	565.31
Total	**2,513.50**	**3,039.84**

Note 16.1 : Deferred income arising from government grants

The Company 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 Company recognises such grants in the standalone 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 Company has presented such amortisation of deferred income as a deduction from the related expenses.

Note 17 : Current borrowings **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
Secured borrowings		
Loans repayable on demand		
From banks (refer note 17.1 and 17.2 below)	81,245.78	64,821.26
Bill discounting (refer note 10.1)	27,223.01	33,579.88
Current maturities of non-current borrowings (refer note 14.1)	9,568.69	14,103.04
Total	**118,037.48**	**112,504.18**

Note-17.1: The weighted average effective interest rate (net of subsidy) on the bank loans is 6.72 % per annum (5.10% as at 31 March 2022).

Note-17.2: Working capital limits secured by pari passu charge by way of hypothecation of stock and book debts of the Company 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-17.3: The Company have filed the quarterly statement to the banks/financial institutions. For details refer note 37.2.

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 33.

Note 18: 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 18.1)	8,122.27	10,015.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	54,149.59	54,869.68
Total	**62,271.86**	**64,884.89**

All trade payables are current.

The Company's exposure to currency and liquidity risk are disclosed in note 33.

For balances, terms and conditions with related parties, refer to note 34.

Note 18.1 : 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 development 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 standalone financial statements based on the information received and available with the Company.

Note 18.2: Trade payables ageing schedule

As at 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	3,557.01	31,957.71	10,703.15	6,798.62	325.92	807.18	54,149.59
iii) Disputed dues – MSME	–	–	–	–	–	–	–
iv) Disputed dues – Others	–	–	–	–	–	–	–
Total	**3,557.01**	**36,725.69**	**13,060.03**	**7,796.03**	**325.92**	**807.18**	**62,271.86**

As at 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	3,850.19	30,326.08	19,477.09	464.29	–	752.02	54,869.67
iii) Disputed dues – MSME	–	–	–	–	–	–	–
iv) Disputed dues – Others	–	–	–	–	–	–	–
Total	**3,850.19**	**35,540.46**	**24,240.43**	**495.11**	**6.68**	**752.02**	**64,884.89**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 19 : Other financial liabilities **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Interest accrued but not due on borrowings	2,252.55	1,719.02
Capital creditors (refer note 19.1)	1,635.09	1,048.15
Employee related liabilities	2,676.07	3,136.36
Derivative liabilities–foreign exchange forward contracts	721.05	364.57
Unclaimed dividend (refer note 19.2)	75.57	84.75
Total	**7,360.33**	**6,352.85**

The Company's exposure to currency and liquidity risks are disclosed in note 33.

19.1 Includes principal amount of ₹ Nil (31 March 2022: ₹ 230.87 lacs) related to micro enterprises and small enterprises.

19.2 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.

Note 20 : 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 20.3 below)	184,402.37	255,640.26
Other operating revenues (refer note 20.1 below)	20,871.73	30,257.39
Total revenue from operations	**205,274.10**	**285,897.65**

Note 20.1 : Other operating revenue comprises of : **(₹ Lacs)**

Revenue from contracts with customers–sale of waste and scrap	3,351.82	5,890.73
Export incentives (refer note 20.2 below)	17,519.91	24,366.66
Total	**20,871.73**	**30,257.39**

Note 20.2 : 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 20.3 : Disaggregated revenue information:

The Company derives its revenue primarily from sale of home textile products. Revenues from different geographic region based on the location of the customers have been disclosed in Note 30 (a)

Note 20.4 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	194,492.66	268,437.87
Less: Rebates, discounts, chargebacks, markdowns, etc.	(6,738.47)	(6,906.88)
Revenue from contracts with customers–sale of goods and sale of waste and scrap	**187,754.19**	**261,530.99**

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 21 : 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 at fair value through profit or loss	7.31	24.36
	373.02	**275.00**
b. Other than interest income		
Foreign exchange gain	5,365.46	1,407.10
Profit on sale of current investments	8.73	60.37
Profit on sale of property, plant and equipment, net	1,895.80	–
Income on financial guarantee contracts	67.31	73.24
Miscellaneous income	29.63	178.25
	7,366.93	**1,718.96**
Total	**7,739.95**	**1,993.96**

Note 22: Cost of materials consumed and changes 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	**103,351.62**	**164,826.73**
B. Changes in inventories of finished goods and work-in-progress		
Opening stock		
– Work in progress	20,518.58	14,201.41
– Finished goods	10,616.63	11,935.96
Closing stock :		
– Work in progress	8,622.68	20,518.58
– Finished goods	8,087.51	10,616.63
Changes in inventories of finished goods and work-in-progress	**14,425.02**	**(4,997.84)**

Note 23 : Employee benefits expense

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	19,798.18	22,182.63
Contribution to provident and other funds (refer note 15.1)	1,727.39	1,140.74
Gratuity expenses (refer note 15.1)	364.21	375.26
Expenses related to compensated absences	101.50	555.81
Workmen and staff welfare expenses	2,029.70	3,461.41
Total	**24,020.98**	**27,715.85**

Note 24 : Finance costs (₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense :		
On financial liability as at amortised cost		
Interest on term loans [net of subsidy ₹ 3,264.02 lacs (31 March 2022: ₹ 6,033.26 lacs)]	11,127.44	7,220.71
Interest on working capital loans	6,951.33	4,610.38
Interest on payment of income tax	–	270.00
Interest on MSMED vendors	696.46	439. 57
Other borrowing costs	2,581.27	1,815.93
Exchange differences regarded as an adjustment to borrowing costs	101.87	329.47
Total	**21,458.37**	**14,686.06**

Note 25 : 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)	13,375.29	12,944.23
Amortization of intangible assets (refer note 3.3)	355.31	340.96
Less: Amortization of deferred income on government grants (refer note 16.1)	(1,926.26)	(1,900.32)
Total	**11,804.34**	**11,384.87**

Note 26 : 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
Contract labour charges	2,732.07	4,568.38
Freight outward	4,316.02	6,748.47
Rent (refer note 29)	861.13	921.34
Travelling and conveyance	1,750.15	1,502.74
Advertisement, selling and publicity expense	1,099.30	1,127.92
Professional and consultancy charges	1,072.76	1,179.26
Payments to auditors (refer note 26.1 below)	85.92	76.13
Repairs and maintenance		
i) plant and machinery	345.67	453.84
ii) buildings	173.33	90.33
iii) others	394.93	395.92
Product design and development charges	278.06	148.69
Water charges	567.67	819.27
Insurance	927.67	869.32
Expenditure on corporate social responsibility (CSR) (refer note 26.2 below)	365.05	432.57
Job work charges	514.08	2,480.85
Security charges	380.19	414.03
Communication expenses	778.45	460.50
Rates and taxes	181.48	434.36
Printing and stationery	43.43	46.70
Commission on sales	47.31	43.64
Loss on sale of property, plant and equipment, net	–	146.13
Loss allowance on financial assets	256.61	35.64
Loss on current investments carried at fair value through profit or loss	–	40.46
Miscellaneous expenses	805.01	640.39
Total	**42,188.11**	**51,891.95**

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 26.1 : Payments to auditors **(₹ Lacs)**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
– Audit fee*	72.00	62.50
– Tax audit fee	1.50	3.00
In other capacity:		
– Other services (certification fees)	1.00	7.00
– Reimbursement of expenses	11.42	3.63
Total	**85.92**	**76.13**

* includes fee for limited reviews

Note 26.2 : 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 2023	For the year ended 31 March 2022
i) Amount approved by the Board to be spent 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 27 : 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 Company 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 obligations at year end aggregate to ₹ 5,482.82 lacs (31 March 2022 : ₹ 7,621.14 lacs).

Note 28 : Contingent liabilities **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
a) Claims against the Company not acknowledged as debt		
– Income tax matters (refer note 28.1 and 28.2.a)	211.40	131.28
– Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 28.1 and 28.2.b)	1,310.36	668.90
	1,521.76	**800.18**
b) Corporate guarantee given towards credit facilities on behalf of subsidiaries		
– 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 28.1 : The above amounts have been arrived at based on the notice of demand or the assessment orders, as the case may be, and the Company 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 Company's rights for future appeals before the judiciary. The Company doesn't expect any reimbursements in respect of the above contingent liabilities.

Note 28.2 :

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 29 : Leases

The Company has certain buildings on lease with contract terms of less than one year. These leases are classified as short-term. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

I. 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 of short-term leases and leases of low-value assets	861.13	921.34

Note 30 : Segment reporting

The Managing Director and Chief Executive Officer of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined in Ind AS 108, Operating Segments. The Company is structured into a single segment of Home Textiles value chain, and accordingly the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the Home textile and segment information has been presented accordingly.

The geographical information analyses the Company's revenue from external customers and non-current assets of its single reportable segment by the Company'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 location of the customers who are invoiced or in relation to which the revenue is otherwise recognised:

(₹ Lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
North America	153,749.26	221,227.94
India and Asia Pacific	9,353.02	9,290.33
Europe, Middle East and Africa	20,292.69	24,500.13
Rest of the world	1,007.40	621.86
Total	**184,402.37**	**255,640.26**

Revenue from major customers

Revenue from two customers (31 March 2022 : two customers) individually contributing 10% or more of Company's revenue was 58.15% from customer one (subsidiary) and 14.72% from customer two. (31 March 2022 : 69.28% from customer one (subsidiary) and 11.27% from customer two) of the total revenue respectively.

b) All non-current assets other than financial instruments, deferred tax assets and income tax assets of the Company are located in India.

Note 31 : Income taxes

Amount recognised 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	–	4,274.00
	–	**4,274.00**
Deferred tax		
In respect of the current year	(1,214.87)	2,677.42
	(1,214.87)	**2,677.42**
Income tax expense reported in the statement of profit and loss	**(1,214.87)**	**6,951.42**

Income tax recognised in other comprehensive income

Deferred tax : **(₹ 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	(4,234.39)	22,383.99
Enacted income tax rate in India	34.944%	34.944%
Tax using the Company's domestic tax rate	(1,479.67)	7,821.86
Effects of tax concessions and MAT entitlement	–	(141.39)
Effects of non-deductible expenses for tax purposes	264.80	321.68
Other adjustments	–	(1,055.44)
Effects due to differential tax rates on capital gains	–	4.71
Total income tax expense recognised in the statement of profit and loss	**(1,214.87)**	**6,951.42**

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.

Note 31 : Income taxes (continued)

Deferred tax

Deferred tax relates to the following:

(₹ Lacs)

Particulars	As at 01 April 2021	Recognised in profit and loss during 2021-22	Recognised in OCI during 2021-22	MAT utilisation	As at 31 March 2022	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	As at 31 March 2023
Deferred tax assets / (liabilities)								
Property, plant and equipment and intangible assets	(27,790.23)	(2,702.08)	–	–	(30,492.31)	(1,283.86)	–	(31,776.17)
Cash flow hedge	(262.95)	–	(69.80)	–	(332.75)	–	544.72	211.97
Investments at fair value through profit or loss	(20.22)	29.64	–	–	9.42	(9.43)	–	(0.01)
Provision for gratuity and compensated absences	1,205.96	4.19	(8.08)	–	1,202.07	(73.00)	(135.28)	993.79
Others–business losses, unabsorbed depreciation and other disallowances	487.89	940.00	–	–	1,427.89	2,581.16	–	4,009.05
Minimum alternate tax (MAT) credit	18,977.11	(949.17)	–	(167.43)	17,860.51	–	–	17,860.51
Deferred tax assets / (liabilities)	**(7,402.44)**	**(2,677.42)**	**(77.88)**	**(167.43)**	**(10,325.17)**	**1,214.87**	**409.44**	**(8,700.86)**

Note 32 : 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	(3,019.52)	15,432.57

Reconciliation of basic and diluted shares used in computing earning per share:

Particulars	As at 31 March 2023	As at 31 March 2022
Number of equity shares outstanding at the beginning of the year	98,457,160	98,457,160
Add: Weighted average number of equity shares issued during the year	–	–
Weighted average number of equity shares outstanding during the year	98,457,160	98,457,160

Earnings / (loss) per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Basic (₹)	(3.07)	15.67
Diluted (₹)	(3.07)	15.67

Note 33 : Financial instruments:

33.1 : 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 Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. **(₹ Lacs)**

Particulars	Carrying amount 31 March 2023	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Measured at amortised cost				
Cash and cash equivalents	5,192.77	–	–	–
Other bank balances	4,929.18	–	–	–
Trade receivables	127,588.31	–	–	–
Loans (current and non-current)	142.65	–	–	–
Other financial assets (current and non-current)	22,465.43	–	–	–
Measured at fair value in hedging relationship				
Derivative assets	114.09	–	114.09	–
Measured at FVTPL				
Current investments	964.52	–	–	964.52
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	261,032.30	–	–	–
Trade payables	62,271.86	–	–	–
Other financial liabilities (current and non-current)	6,639.28	–	–	–
Measured at fair value in hedging relationship				
Derivative liabilities	721.05	–	721.05	–

(₹ Lacs)

Particulars	Carrying amount 31 March 2022	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Measured at amortised cost				
Cash and cash equivalents	11,090.93	–	–	–
Other bank balances	5,183.07	–	–	–
Trade receivables	95,139.16	–	–	–
Loans (current and non-current)	144.64	–	–	–
Other financial assets (current and non-current)	19,664.69	–	–	–
Measured at fair value in hedging relationship				
Derivative assets	1,382.97	–	1,382.97	–
Measured at FVTPL				
Current investments	1,309.48	344.96	–	964.52
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	264,196.42	–	–	–
Trade payables	64,884.89	–	–	–
Other financial liabilities (current and non-current)	5,988.28	–	–	–
Measured at fair value in hedging relationship				
Derivative liabilities	364.57	–	364.57	–

Fair value hierarchy

Level 1: Level 1 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 Company 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 33.2 : Financial risk management:

The Company's activities expose the Company to financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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 Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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 Company's total bank deposits for the year ended 31 March 2023. None of the other financial instruments of the Company 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 is ₹ 1,60,425.8 lacs and ₹ 1,32,942.20 lacs as at 31 March 2023, and 31 March 2022, respectively, being the total of the carrying amount of balances with banks, bank deposits, current 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	89%	89%	86%	86%
India and Asia pacific	6%	6%	7%	7%
Europe, Middle east and Africa	4%	4%	6%	6%
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 Company will not be able to meet its financial obligations as they become due. The Company 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 Company's reputation. The Company believes that the working capital and its cash and cash equivalents are sufficient to meet its short and medium term requirements.

Management monitors rolling forecast of the Company's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company'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 Company maintains the following line of credit:

a) Terms loans taken from banks aggregating to ₹ 58,020.12 lacs (31 March 2022: ₹ 72,182.50 lacs) repayable in various quarterly and yearly installments with interest rate ranging from 8.56% to 12.24% (31 March 2022: 4.03% to 10.83%) per annum. Term loans and non convertible debentures from financial institutions aggregating to ₹ 94,543.40 lacs (31 March 2022: ₹ 93,612.79 lacs) with interest rate ranging from 9.23%–13.56% (31 March 2022: 9.03%–13.56%) per annum.

b) Working capital loans from banks carry an effective interest rate of 6.72% (31 March 2022: 5.10%) per annum, computed on a monthly basis on the actual amount utilized, and are repayable on demand. Refer note 17.2 for details of security.

c) The Company has taken 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 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	261,032.30	335,303.93	133,412.86	148,644.97	53,246.10
Trade payables	62,271.86	62,271.86	62,271.86	–	–
Other financial liabilities	7,360.33	7,360.33	7,360.33	–	–

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	264,196.42	320,448.50	125,934.28	142,139.10	52,375.12
Trade payables	64,884.89	64,884.89	64,884.89	–	–
Other financial liabilities	6,352.85	6,352.85	6,352.85	–	–

As disclosed in note 14.1, the Company has secured loan from banks and financial institutions that contains loan covenants. A future breach of covenant may require the Company 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. The above does not include corporate guarantee provided to step down subsidiary. refer note 34.3 for details.

iii) Market Risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company'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 Company 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 Company. The functional currency of the Company is ₹. The currencies in which these transactions are primarily denominated are USD, GBP, EURO etc.

Management monitors the movement in foreign currency and the Company's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Company decides to exchange its foreign currency. A significant portion of the Company'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 Company 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 Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

Note 33.2 : Financial risk management (continued)

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to sell contracts:

Currency	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	178,974.63	1,033.99
Total		**34,244.41**	**(594.87)**		**178,974.63**	**1,033.99**

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Buy Contracts:

Currency	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	(9.93)
Total		**3,769.62**	**(12.09)**		**4,795.28**	**(15.59)**

The foreign exchange forward contracts mature within 12 months. The table below analyzes 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**	**178,974.63**

The table below analyzes 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**

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (unhedged foreign currency exposure) as reported to management is as follows:

Particulars	Currency	31 March 2023		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
Trade receivables	USD	1,507.17	123,874.39	1,183.46	89,611.21
	EUR	10.02	898.31	8.66	731.80
	GBP	6.37	649.10	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	1.15	96.84
	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	0.07	5.89
	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

The following 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)	1,149.67	(1,149.67)	753.10	(753.10)
EURO (1% movement)	3.39	(3.39)	2.22	(2.22)
GBP (1% movement)	6.23	(6.23)	4.08	(4.08)
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)	706.53	(706.53)	462.82	(462.82)
EURO (1% movement)	3.41	(3.41)	2.23	(2.23)
GBP (1% movement)	4.86	(4.86)	3.18	(3.18)
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 Company's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Company'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 Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings (current and non current)	261,032.30	264,196.42
Total	**261,032.30**	**264,196.42**

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)	(656.54)	656.54	(427.12)	427.12
31 March 2022 Borrowings (current and non current)	(621.11)	621.11	(404.07)	404.07

The Company 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 33.3 : Capital management

The Company'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 Company monitors the return on capital as well as the level of dividends on its equity shares. The Company'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 Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Company's capital management, adjusted net debt is defined as aggregate on non-current borrowings, current borrowings, 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 Company's adjusted net debt to equity ratio were as follows:

(₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings (current and non-current)	261,032.30	264,196.42
Less: Cash and cash equivalents including deposits and current investments	(11,596.53)	(18,146.07)
Adjusted net debt	**249,435.77**	**246,050.35**
Total equity	166,729.07	171,003.15
Net debt to equity ratio	**1.50**	**1.44**

Note 34 : Related party disclosures

Note 34.1: Name of related parties and description of relationship

Description of relationship	Names of the related parties
Subsidiaries (including step subsidiaries)	Himatsingka Wovens Private Limited Himatsingka Holdings North America, Inc. Himatsingka America, Inc. Twill & Oxford LLC (under liquidation, refer note 38)
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 9 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 2 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)

Note 34.2 : Related party transactions during the year **(₹ Lacs)**

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products to	Himatsingka America, Inc.	107,237.68	177,095.34
Rental expenses incurred	Himatsingka Wovens Private Limited	78.75	78.75
Reimbursement of expenses	Himatsingka America, Inc.	44.14	86.85
Marketing commission incurred	Himatsingka America, Inc.	279.86	473.68
Professional fees incurred	Jacaranda Design LLC	166.56	149.05
	Khaitan & Co LLP	33.08	23.23
	V Vasudevan	–	20.00
Investment made in	Himatsingka Holdings North America, Inc.	–	8,440.83
Guarantees given on behalf of subsidiaries	Himatsingka America, Inc.	–	3,786.00
Guarantees taken from	Himatsingka Wovens Private Limited	–	2,064.87
Contribution in relation to CSR Expenditure	Himatsingka Foundation	241.33	401.09
Sale of land	Dinesh Kumar Himatsingka	302.00	–

refer note 35 and 36.2

Note 34.3 : Balance receivable from and payable to related parties as at the balance sheet date: **(₹ Lacs)**

Particulars		As at 31 March 2023	As at 31 March 2022
Trade receivables	Himatsingka America, Inc.	102,900.12	74,408.15
Other payables	Jacaranda Design LLC	209.33	161.29
Trade payables	Himatsingka Wovens Private Limited	439.43	394.41
Corporate guarantee given on behalf of	Himatsingka America, Inc.	23,506.34	21,655.92
Corporate guarantee taken from	Himatsingka Wovens Private Limited	2,064.87	2,064.87

Refer note 14.1 for details of properties owned by a subsidiary and investment in subsidiaries pledged as securities for borrowings availed by the Company

Note 34.4 : Compensation and dividend payment to key managerial 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**

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 34.5 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 35 : Details of non-current investments purchased and sold during the year under Section 186(4) of the Act:

Investments in equity instruments (₹ Lacs)

a) Subsidiaries	Face value per unit	As at 1 April 2022	Purchased during the year#	Sold during the year	Adjustment on account of corporate guarantee	As at 31 March 2023
Himatsingka Wovens Private Limited	INR 100	1,683.98	–	–	–	1,683.98
		(1,750,000)*				(1,750,000)*
Himatsingka Holdings North America, Inc. (refer note 4A.1)	USD 10,000	93,893.14	–	–	67.32	93,960.46
		(12,806)*	-			(12,806)*
Twill & Oxford LLC (refer note 38)	AED 100	37.35	–	–	–	37.35
		(1,470)*				(1,470)*

(₹ Lacs)

a) Subsidiaries	Face value per unit	As at 1 April 2021	Purchased during the year#	Sold during the year	Adjustment on account of corporate guarantee	As at 31 March 2022
Himatsingka Wovens Private Limited	INR 100	1,683.98	–	–	–	1,683.98
		(1,750,000)*				(1,750,000)*
Himatsingka Holdings North America, Inc. (refer note 4A.1)	USD 10,000	85,379.08	8,440.83	–	73.23	93,893.14
		(12,149)*	(657)*			(12,806)*
Twill & Oxford LLC (refer note 38)	AED 100	37.35	–	–	–	37.35
		(1,470)*				(1,470)*

* The amounts in parenthesis represents number of shares

\# Refer note 34

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 36.1: Details of loans given during the year under Section 186(4) of the Act

There are no loans given during the year ended 31 March 2023 (31 March 2022 is Nil)

Note 36.2: Details of guarantees given during the year under Section 186(4) of the Act **(₹ Lacs)**

Guarantee given on behalf of	Nature of relationship	As at 1 April 2022	Given during the year	Closed during the year	Forex restatement	As at 31 March 2023
Himatsingka America, Inc. (refer note i)	Subsidiary	16,658.40	–	–	1,423.40	18,081.80
Himatsingka America, Inc. (refer note ii)	Subsidiary	1,211.52	–	–	103.52	1,315.04
Himatsingka America, Inc. (refer note iii)	Subsidiary	3,786.00	–	–	323.50	4,109.50

(₹ Lacs)

Guarantee given on behalf of	Nature of relationship	As at 1 April 2021	Given during the year	Closed during the year	Forex restatement	As at 31 March 2022
Himatsingka America, Inc. (refer note i)	Subsidiary	23,860.12	–	7,684.07	482.35	16,658.40
Himatsingka America, Inc. (refer note ii)	Subsidiary	1,176.44	–	–	35.08	1,211.52
Himatsingka America, Inc. (refer note iii)	Subsidiary	2,205.83	3,786.00	2,224.43	18.60	3,786.00

Note i : Guarantee given to bank for securing the borrowings given to Himatsingka America, Inc.
Note ii : Corporate guarantee with respect to bond maintained with the Customs department of United states.
Note iii : Guarantee given to the vendor for purchase of goods by Himatsingka America, Inc.

Note 36.3 : The Company has given security to bankers for the loan taken by Himatsingka America, Inc (subsidiary) having an outstanding loan balance of ₹ 7,790.45 lacs as at 31 March 2023 (31 March 2022: ₹ 10,035.98 lacs) The nature of security is as follows:

'First paripassu charge on the moveable and immoveable properties located at Hassan and Doddaballapur plant including proposed project assets present and future.'

Note 37: Additional regulatory information

37.1 Analytical Ratios

Ratio	Numerator	Denominator	As at March 2023	As at March 2022	% Variance	Reason for Variance if more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	1.03	1.05	-2%	Not applicable.
Debt-equity ratio (in times)	Total Debt = Borrowings	Total equity	1.57	1.54	1%	Not applicable.
Debt service coverage ratio (in times)	Earning for debt Service = Net profit after taxes + Depreciation and amortisation expense + Finance costs	Debt service (Finance Costs + Current maturities of non-current borrowings)	0.94	1.68	-44%	Increase in cotton price, increase in coal price and inventory rationalisations has resulted in decline of the ratio.
Return on equity ratio (%)	Net profit after tax	Average total equity	-1.8%	9.4%	-119%	Increase in cotton price, increase in coal price and inventory rationalisations has resulted in decline of the ratio.
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	3.69	4.30	-14%	Not applicable.
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivables	1.66	3.17	-48%	Change in mix of customers with higher credit period has resulted in the decline of the ratio.
Trade payables turnover ratio (in times)	Purchase + Other expenses	Average trade payables	2.55	4.51	-43%	Longer credit period with vendors has resulted in decline of the ratio.
Net capital turnover ratio (in times)	Total revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	31.97	27.69	-15%	Not applicable.
Net profit ratio (in %)	Net profit after tax	Total revenue from operations	-1%	5%	-127%	Increase in cotton price, increase in coal price and inventory rationalisations has resulted in decline of the ratio.
Return on capital employed (in %)	Earnings before interest and taxes	Capital employed (Total equity + Borrowings+Deferred tax liabilities)	3.95%	8.32%	-53%	Increase in cotton price, increase in coal price and inventory rationalisations has resulted in decline of the ratio.
Return on investment (in %)	Interest (Finance Income)	Weighted Average Investment	5.85%	3.22%	82%	Increase in the market rate of return has resulted in the improvement of the ratio.

37.2 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 Banks	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	104,564.36	118,112.92	13,548.56	
	31 December 2022– Trade payables	51,195.23	57,942.48	6,747.25	

Note 38: In the earlier year, the Company as a measure to restructure its luxury retail business had closed its retail store in Dubai and made a provision towards impairment of investment of ₹ 37.35 lacs.

Note 39 : Transfer pricing

The Company 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 Company 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.

Note 40 : Other statutory Information

i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii) The Company do not have any transactions with companies struck off.

iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Company 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 Company 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 Company shall:

  a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii) The Company 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

viii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

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.

Notes to the Standalone Financial Statements for the year ended 31 March 2023

Note 42 : The standalone financial statements of the Company 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

Independent Auditors’ 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 Auditors’ 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.

<table>
<tr><th>Sl. No.</th><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in our audit</th></tr>
<tr><td>1</td><td>Revenue recognition

Refer note 2.3 to accounting policies and the disclosures related to revenue recognition in note 22 to the consolidated financial statements.

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.</td><td>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.

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.</td></tr>
</table>

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2023 (continued)

Sl. No.	The key audit matter	How the matter was addressed in our audit
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. 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.	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. 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. 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 checking 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 per relevant Indian Accounting Standards in the consolidated financial statements.

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2023 (continued)

Sl. No.	The key audit matter	How the matter was addressed in our audit
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. 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.	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. 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 AUDITORS' 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 auditors' 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 auditors' 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 auditors' 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 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.

AUDITORS' 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 auditors' 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 auditors' 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.

   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 Auditors' 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) 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.

3) According to the information and explanations given to us, the details of qualification in the Companies (Auditors' 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:

Name of the Company	CIN	Type of Company (Holding / Subsidiary)	Clause number of the CARO Report which is qualified
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 AUDITORS' REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HIMATSINGKA SEIDE LIMITED

Auditors' 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 auditors' 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 auditors' 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.

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 auditors' 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 AUDITORS' 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 Auditors' 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.

AUDITORS' 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 evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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

Amit kumar Jhunjhunwala
Partner
Membership No. 067183
UDIN: 23067183BGWNTS3681

Place: Bengaluru
Date : May 30, 2023

Consolidated Balance Sheet

Himatsingka Seide Limited **(₹ Lacs)**

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	240,777.72	252,580.91
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		**322,227.17**	**333,681.02**
Current assets			
Inventories	10	88,484.70	113,124.76
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		**231,191.33**	**230,682.25**
Total Assets		**553,418.50**	**564,363.27**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	4,922.86	4,922.86
Other equity	15	139,978.60	142,048.49
Total equity		**144,901.46**	**146,971.35**
Liabilities			
Non–current liabilities			
Financial liabilities			
i) Borrowings	16	147,698.34	158,916.55
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		**192,259.38**	**207,378.79**
Current liabilities			
Financial liabilities			
i) Borrowings	19	121,796.89	121,624.77
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		**216,257.66**	**210,013.13**
Total liabilities		**408,517.04**	**417,391.92**
Total equity and liabilities		**553,418.50**	**564,363.27**
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

Consolidated Statement of Profit and Loss

Himatsingka Seide Limited **(₹ Lacs)**

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	22	267,774.26	318,395.02
Other income	23	7,501.85	1,961.95
Total income		**275,276.11**	**320,356.97**
Expenses			
Cost of raw materials and packing material consumed	24A	128,291.08	175,271.29
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		**282,798.78**	**299,324.46**
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) Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plan		387.14	23.12
Income tax effect on above		(135.28)	(8.08)
B) Items 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 gain on hedging instruments in cash flow hedge		(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		

See accompanying notes to the 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

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

Himatsingka Seide Limited

Particulars	(₹ Lacs)
A) Equity share capital (refer note 14)	
Balance as at 1 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)			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 2021	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.18**	**75,292.85**	**489.71**	**5,516.94**	**(342.84)**	**126,599.34**
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)**	**142,048.49**
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)**	**142,048.49**
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)**	**139,978.60**
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 **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

Consolidated Statement of Cash Flows

Himatsingka Seide Limited **(₹ Lacs)**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cash flows from operating activities		
(Loss) / Profit 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 cash flows 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 of 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**

Consolidated statement of Cash Flows

Himatsingka Seide Limited **(₹ Lacs)**

Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities

	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)	175,934.30	(16,584.47)	1,075.43	160,425.26
Current borrowings (excluding current maturities of non current borrowings)	104,607.02	4,070.23	392.72	109,069.97
Interest accrued but not due	1,781.75	(27,582.29)	28,162.97	2,362.43
Total liabilities from financing activities	**282,323.07**	**(40,096.53)**	**29,631.12**	**271,857.66**

Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities

	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)	163,071.09	12,093.93	769.28	175,934.30
Current borrowings (excluding current maturities of non current borrowings)	83,579.51	20,920.41	107.10	104,607.02
Interest accrued but not due	1,407.32	(23,997.12)	24,371.55	1,781.75
Total liabilities from financing activities	**248,057.92**	**9,017.22**	**25,247.93**	**282,323.07**

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

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

Amit Kumar Jhunjhunwala
Partner
Membership number: 067183

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

Place: Bengaluru
Date: 30 May 2023

Notes to the Consolidated Financial Statements for the year ended 31 March 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 ccounting 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.

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:

Determination of the estimated useful lives:

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.

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 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.

Expected credit losses on financial assets:

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 does not track changes 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.

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.

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 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 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 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.

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 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 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 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 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 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 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 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 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 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. 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.

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.

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 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.

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.

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.

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 consolidatedstatement of profit and loss.
Financial assets at amortised 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.
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.

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 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.

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 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.

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 2021	**28,484.23**	**71,435.73**	**222,968.26**	**13,254.80**	**3,331.72**	**7,298.85**	**185.37**	**544.01**	**347,502.96**	**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**	**237,057.03**	**13,220.50**	**3,413.36**	**7,432.12**	**185.34**	**544.01**	**362,225.53**	**4,428.46**
Balance as at 1 April 2022	**28,900.34**	**71,472.84**	**237,057.03**	**13,220.50**	**3,413.36**	**7,432.12**	**185.34**	**544.01**	**362,225.53**	**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**	**234,828.14**	**14,084.62**	**3,730.31**	**7,824.55**	**185.30**	**544.01**	**363,621.49**	**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)**	**(109,644.62)**	–
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)**	**(109,644.62)**	**–**
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)**	**(122,843.77)**	**–**
Net book value:										
As at 31 March 2023	**28,618.13**	**60,222.91**	**145,850.92**	**3,941.94**	**954.51**	**1,116.77**	**54.01**	**18.54**	**240,777.72**	**2,988.06**
As at 31 March 2022	**28,900.34**	**60,472.60**	**156,179.35**	**4,696.16**	**1,031.68**	**1,185.63**	**58.57**	**56.59**	**252,580.91**	**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 carrying amount:				
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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Note 4: Goodwill (₹ Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
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 (%)	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)

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**

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	606.51	606.51
Equity shares of INR 251 each fully paid up		
[No. of shares: 2,41,637 (As at 31 March 2022: 2,41,637)]		
Atria Wind Power (Basavana Bagewadi) Private Limited	358.01	358.01
Equity shares of INR 193.28 each fully paid up		
[No. of shares: 1,85,226 (As at 31 March 2022: 1,85,226)]		
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 deposit	644.54	634.22
Total	**2,206.65**	**2,003.20**
Current		
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 deposit	192.42	282.25
Other receivable	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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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 asset / liability*

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**

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**	**113,124.76**
*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						Total
	Not due	Less than 6 months	6 months – 1 year	1–2 year	2 –3 year	More than 3 years	
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						Total
	Not due	Less than 6 months	6 months – 1year	1 –2 year	2 –3 year	More than 3 years	
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 consists 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 consists 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.

Note 13: Assets classified as 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 (₹ Lacs)

Particulars	31 March 2023		31 March 2022	
	Number of shares	Amount (₹ Lacs)	Number of shares	Amount (₹ Lacs)
At the commencement of the year	98,457,160	4,922.86	98,457,160	4,922.86
At the end of the year	98,457,160	4,922.86	98,457,160	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	11,902,000	12.09%	11,902,000	12.09%
Shrikant Himatsingka	8,546,964	8.68%	8,546,964	8.68%
Bihar Mercantile Union Limited	6,268,234	6.37%	6,268,234	6.37%
Rajshree Himatsingka	5,897,260	5.99%	5,897,260	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	11,902,000	12.09%	0.00%	11,902,000	12.09%	0.00%
Shrikant Himatsingka	8,546,964	8.68%	0.00%	8,546,964	8.68%	0.00%
Bihar Mercantile Union Private Limited	6,268,234	6.37%	0.00%	6,268,234	6.37%	0.00%
Rajshree Himatsingka	5,897,260	5.99%	0.00%	5,897,260	5.99%	0.00%
Awdhan Trading Company Limited	4,128,736	4.19%	0.00%	4,128,736	4.19%	0.00%
Orient Silk Private Limited	3,434,768	3.49%	0.00%	3,434,768	3.49%	0.00%
Aditya Resources Limited	3,297,470	3.35%	0.00%	3,297,470	3.35%	0.00%
Priya Resources Private Limited	3,121,360	3.17%	0.00%	3,121,360	3.17%	0.00%
Priyadarshini Himatsingka	237,800	0.24%	0.00%	237,800	0.24%	0.00%

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	**127,625.33**	**134,524.70**
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	**139,978.60**	**142,048.49**

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	(0.07)
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.		
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

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 ₹ 1,000,000 each. (31 March 2022: Nil)	33,636.05	–
Total	**147,698.34**	**158,916.55**

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%)

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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)						
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.
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.

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 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%).

(₹ Lacs)

iii) Non convertible debentures from financial institution (secured)						
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 term loans is in the range of 6.99% to 13.56% (31 March 2022: 3.79% to 13.56%).

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**

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**

Note 18: Other Liabilities **(₹ Lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
Non-Current		
Deferred income arising from government grant (refer note 18.1)	24,788.67	26,603.05
Total	**24,788.67**	**26,603.05**
Current		
Deferred income arising from government grant (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	**121,796.89**	**121,624.77**

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.

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				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
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				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
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

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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 risk 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.

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)	246,828.63	288,137.62
Other operating revenue (refer note 22.1 below)	20,945.63	30,257.40
Total	**267,774.26**	**318,395.02**

Note 22.1: Other operating revenue comprises:

Revenue from contracts with customers – sale of waste and scrap	3,351.81	5,890.75
Export incentive (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	255,087.89	306,997.87
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	**250,180.44**	**294,028.37**

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	**128,291.08**	**175,271.29**
B) Purchase 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
	100,953.18	**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	**100,953.18**
Changes in inventories of finished goods, work–in–progress and stock–in–trade	**19,386.15**	**(30,275.89)**

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 liability 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**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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 shortfal	–	–
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 Group not acknowledged as debt		
– Income tax matters (refer note 30.1and 30.2a)	211.40	131.28
– Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 30.1 and 30.2b)	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.

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 Liability:

(₹ 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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 of 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

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	212,292.82	248,733.23
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	**246,828.63**	**288,137.62**

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	237,901.01	250,219.48
Outside India	11,672.10	13,274.61
Total	**249,573.11**	**263,494.09**

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
Others 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.

Note 33: Income Taxes (continued)

Deferred tax

Deferred tax relates to the following:

(₹ Lacs)

Particulars	As at 1 April 2021	Recognised in profit or loss during 2021–22	Recognised in OCI during 2021–22	Foreign exchange differences	MAT utilisation	As at 31 March 2022	Recognised in profit or loss during 2022–23	Recognised in OCI during 2022–23	Foreign exchange differences	As at 31 March 2023
Deferred tax assets / (liabilities), net										
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	98,457,160	98,457,160
Add: Weighted average number for equity shares issued during the year	–	–
Weighted average number of equity shares outstanding during the year	98,457,160	98,457,160

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 31 March 2023	Fair value		
		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 asset	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)	269,495.23	–	–	–
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 liability	721.05	–	721.05	–

(₹ Lacs)

Particulars	Carrying amount 31 March 2022	Fair value		
		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 asset	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)	280,541.32	–	–	–
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 liability	364.57	–	364.57	–

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

Fair value hierarchy

Level 1: Level 1 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.

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	269,495.23	344,199.97	137,431.87	153,522.00	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	280,541.32	337,103.41	135,342.75	149,385.54	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.

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	178,974.63	1,033.98
Total		**34,244.41**	**(594.87)**		**178,974.63**	**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**	**178,974.63**

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**

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		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 borrowing 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)	269,495.23	280,541.32
Total	**269,495.23**	**280,541.32**

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 equity ratio were as follows: **(₹ Lacs)**

Particulars	31 March 2023	31 March 2022
Borrowings including lease liabilities (current and non-current)	280,603.20	292,169.55
Less: Cash and cash equivalents including deposits and current investments	(12,278.80)	(18,604.10)
Adjusted net debt	**268,324.40**	**273,565.45**
Total equity	144,901.46	146,971.35
Net debt to equity ratio	**1.85**	**1.86**

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)
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 Dinesh Kumar Himatsingka) Ms. Priyadarshini Himatsignka (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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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.

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:

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	104,564.36	118,112.92	13,548.56	
	31 December, 2022 – Trade payables	51,195.23	57,942.48	6,747.25	

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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%	166,729.07	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%	112,286.63	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%	–
		323,259.91		**(6,353.88)**		**(762.27)**		**(7,116.15)**
Consolidated adjustments	–123%	(178,358.45)	1%	(54.09)	116%	5,591.75	–351%	5,537.66
Total	**100%**	**144,901.46**	**100%**	**(6,407.97)**	**100%**	**4,829.48**	**100%**	**(1,578.49)**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

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 (₹ Lacs)	As % of consolidated Comprehensive income	Amount (₹ Lacs)	As % of consolidated total comprehensive income	Amount (₹ Lacs)
Himatsingka Seide Limited	116%	171,003.15	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%	103,450.47	–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)
		318,642.15		**6,177.53**		**145.00**		**6,322.53**
Consolidated adjustments	–117%	(171,670.80)	56%	7,904.10	92%	1,714.98	60%	9,619.08
Total	**100%**	**146,971.35**	**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

Himatsingka

INSPIRED EXCELLENCE