

August 16, 2022

<b>BSE Limited</b> Scrip Code: <b>543401</b>	<b>National Stock Exchange of India Ltd.</b> Trading Symbol: <b>GOCOLORS</b>
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Dear Sir / Madam,

**Subject: Submission of 12<sup>th</sup> Annual Report for the Year 2021-2022**

The Twelfth Annual General meeting (AGM) of the Company is scheduled to be held through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OVAM”) on Monday, September 12, 2022 at 10.00 am.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the year 2021-22 along with AGM Notice sent to the shareholders.

Kindly acknowledge and take the above in your records.

Thanking You,  
For **Go Fashion (India) Limited**


**Gayathri Venkatesan**  
**Company Secretary & Compliance Officer**



**GO COLORS!**  
GOOD TO GO

GO FASHION (INDIA) LIMITED  
ANNUAL REPORT 2021-22

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## 5 big messages of this Annual Report

The Company's revenues rebounded to pre-Covid levels in FY 2021-22

The Company is singularly focused on the women's bottom wear segment

The Company resumed its EBO expansion with 54 stores in FY 2021-22

The Company returned to profitability

The Company went successfully public in FY 2021-22

### Forward-looking statement

This document contains statements about expected future events and financial and operating results of Go Fashion (India) Ltd, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Go Fashion (India) Ltd Annual Report 2021-22.



CORPORATE SNAPSHOT

# Go Fashion (India) Limited.

One of the most exciting women's bottomwear companies in India.

Engaged in the development, design, sourcing, marketing and retail of women's bottomwear products.

The first to launch a brand exclusively dedicated to the women's bottom wear category.

Built around a direct-to-consumer approach with a differentiated and premium bottomwear portfolio.



### Background

Incorporated in 9<sup>th</sup> September 2010, Go Fashion (India) Limited was founded by Prakash Saraogi, Rahul Saraogi and Gautam Saraogi in Chennai. The Company is a prominent player in the area of branded women's bottomwear. The Company is engaged in the development, design, sourcing, marketing and retail under the 'Go Colors' brand name.

### Positioning

The Company is positioned as a bottomwear 'category creator' with an extensive, relevant and perennial range across colours and styles.

### Products

The Company's bottom-wear products comprise churidars, leggings, dhotis, harem pants, patiala, palazzos, culottes, pants, trousers and jeggings across the ethnic wear, western wear, fusion wear, athleisure, denims, plus sizes and girls wear categories. The Company markets bottom wear more than 50 styles and in more than 120 colours.

### Eco-system

The Company's products are manufactured by 81 suppliers and 49 job workers across 11 States and Union Territories. The Company has emerged as a local economy driver in the regions of its procurement.

### Brand

The Company was the first to launch a brand (Go Colors) dedicated to the women's bottom-wear category. The Company accounted for a market share of ~8% in the branded and organised women's bottom-wear market in FY 2019-20.

### Pan-India presence

The Company serviced the growing needs of customers through an extensive network of 503 exclusive brand outlets (EBO) and 1473 large format stores (LFS) across 31 States and Union Territories as of 31<sup>st</sup> March 2022. The Company also generates sales from its online presence and multi brand outlets. (MBO).

### Credit rating

The Company's short-term rating was maintained at CRISIL A2+, ICRA A2+ and long-term rating at CRISIL A-/Stable, ICRA A-/Stable by the reputed CRISIL and ICRA, validating its business health.

### Listing

The Company is listed on the National Stock Exchange and Bombay Stock Exchange Limited in India, where its equity shares are actively traded. The market capitalisation of the Company stood at ₹5,43,600 Lakh as on 31<sup>st</sup> March 2022. The closing price in FY 2021-22 represented a 46.59% appreciation over the Company's IPO offer price.

### Awards and recognition

- The Company received 'Sustaining Enterprise of the Year' in 2019 at the TIECON, Chennai
- The Company received 'Transforming India Retail Award' for transformational contribution to the Indian apparel and retail industry in 2019
- The Company received 'Images' Retail Award' for Images' most admired retailer of the year in concept stores in 2016

## Milestones



## The big numbers of our business

Leading

Among leading organised womens bottom wear players in India by volume

49

Manufacturing units outsourced from

31

Number of States and Union Territories of the Company's presence, FY22

503

Number of EBOs across India

3,000+

SKUs

3,164

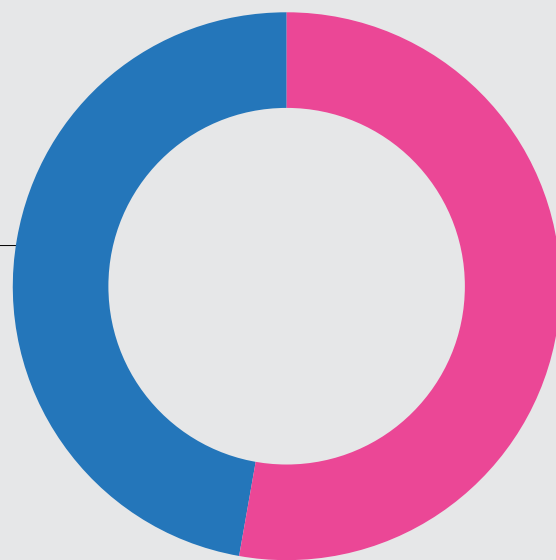
Number of employees as on 31<sup>st</sup> March 2022



## Our shareholding

47.21

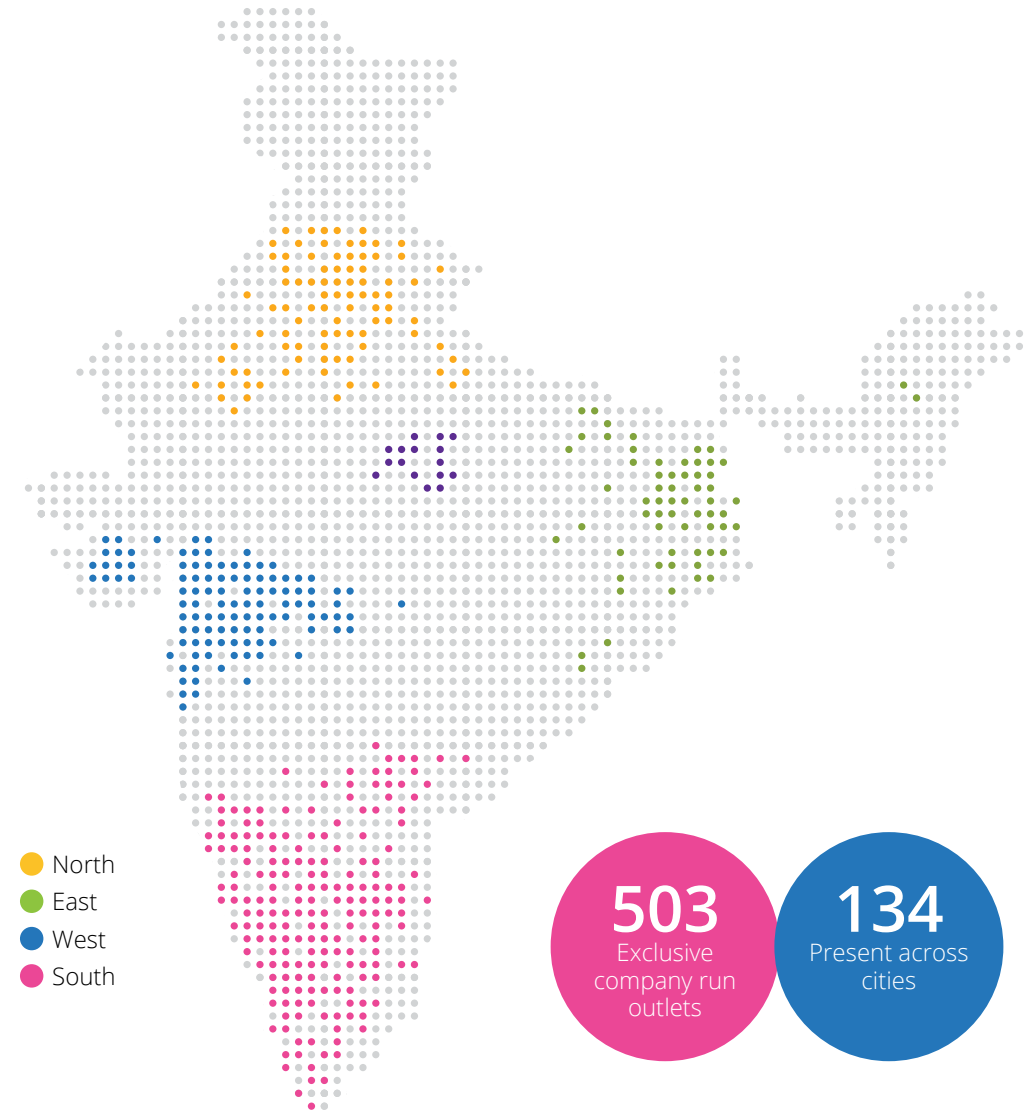
Financial institutions, banks and retail holding, 31<sup>st</sup> March 2022 (%)



52.79

Promoters' holding, 31<sup>st</sup> March 2022 (%)

## Where we were present as on 31<sup>st</sup> March 2022



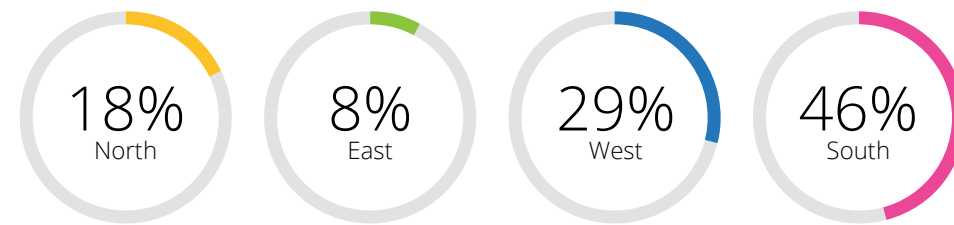
503

Exclusive company run outlets

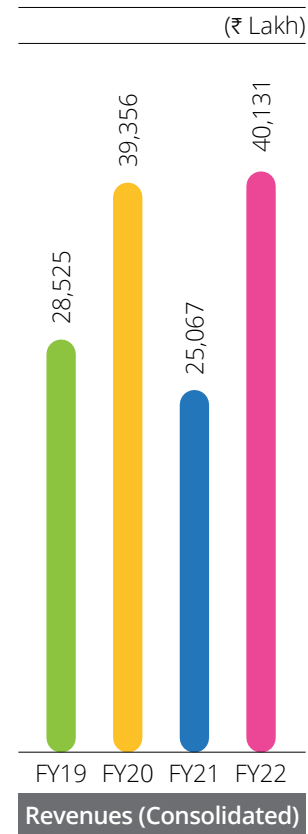
134

Present across cities

## Zone-wise revenues from EBO outlets



# How we transformed in the last few years

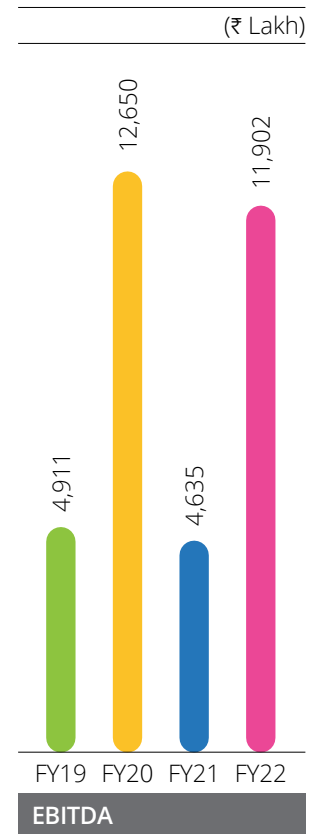


**Definition**  
Growth in sales net of taxes

**Why is this measured?**  
It is an index that showcases the Company's ability to enhance revenues, an index that can be compared with sectoral peers

**What does it mean?**  
Enhanced revenues provide visibility, index of market share and a base across which fixed expenses can be effectively amortised

**Value impact**  
Aggregate sales increased 60% to ₹40,131 Lakh in FY 2021-22 due to a wider EBO rollout and increased same-store sales growth

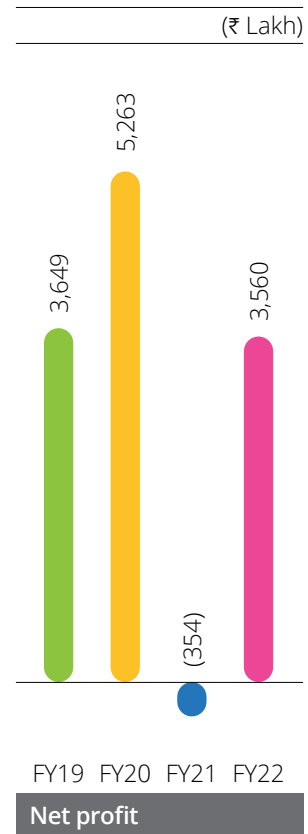


**Definition**  
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax) without Other Income

**Why is this measured?**  
It is an index that showcases the Company's ability to generate an operating surplus following the expensing of operating costs

**What does it mean?**  
Provides the Company with a base across which operations can be strengthened

**Value impact**  
The Company generated an attractive surplus despite sectorial challenges. EBITDA increased by ₹7,267 Lakh and 156% over the previous year

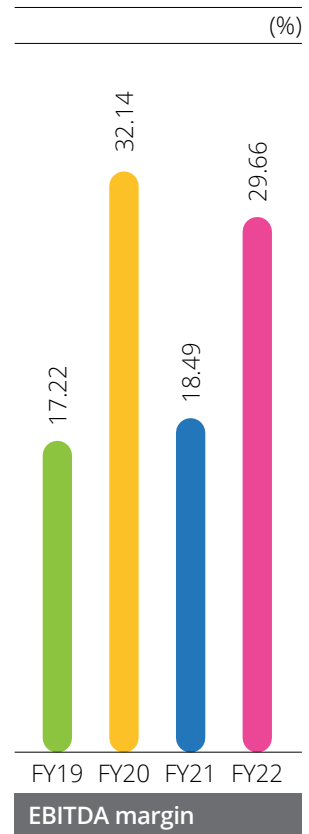


**Definition**  
Profit earned during the year after deducting all expenses and provisions

**Why is this measured?**  
This measure highlights the strength of the business model in increasing shareholder value

**What does it mean?**  
Ensures that adequate surplus is available for reinvestment.

**Value impact**  
The Company reported a 1106% increase in net profit in FY 2021-22 over the previous year following an increase in scale and timely price increases

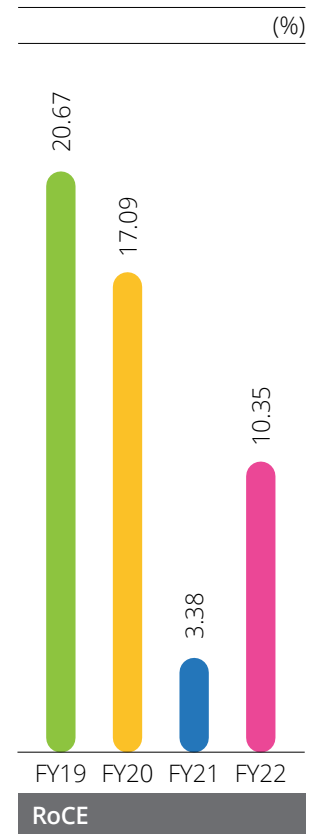


**Definition**  
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

**Why is this measured?**  
The EBITDA margin provides a perspective of how much a company earns (before accounting for interest, depreciation and taxes) on each rupee of sales.

**What does it mean?**  
This demonstrates adequate buffer in the business expressed as a percentage, which, when multiplied by scale, can enhance the surpluses.

**Value impact**  
The Company reported +1120 bps increase in EBITDA margin due to enhanced scale, increased store rollout and cost management

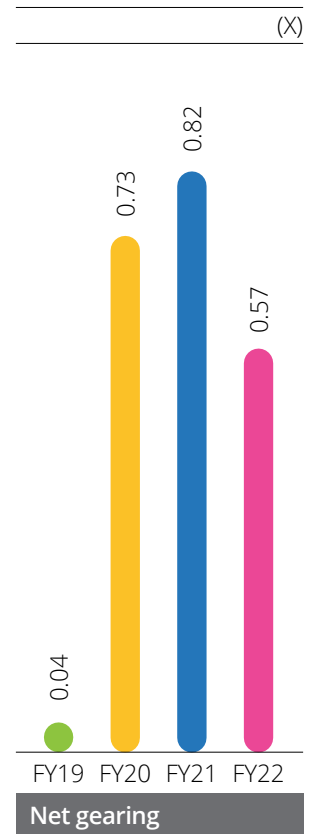


**Definition**  
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

**Why is this measured?**  
RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors

**What does it mean?**  
Enhanced RoCE can potentially drive valuations and perception

**Value impact**  
The Company reported a 697 bps increase in RoCE during FY 2021-22 on account of enhanced scale and capital efficiency

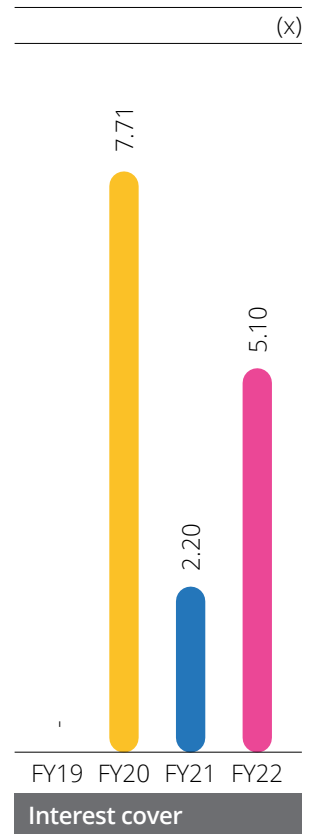


**Definition**  
This is derived through the ratio of net debt to net worth (less revaluation reserves)

**Why is this measured?**  
This is one of the defining measures of a company's financial solvency

**What does it mean?**  
This measure enhances perception of the borrowing room within the Company, the lower the gearing the better

**Value impact**  
The Company's gearing was well within the acceptable limits even after the business had been scaled during the last financial year

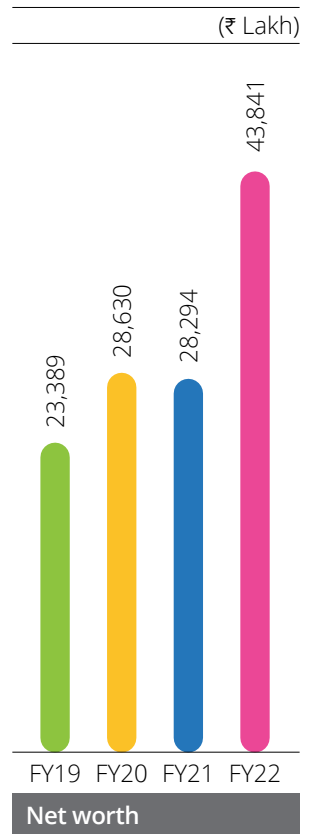


**Definition**  
This is derived through the division of EBITDA by interest outflow

**Why is this measured?**  
Interest cover indicates the Company's comfort in servicing interest – the higher the better

**What does it mean?**  
A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders

**Value impact**  
The Company's interest cover strengthened by 284 bps during the year under review, indicating enhanced liquidity



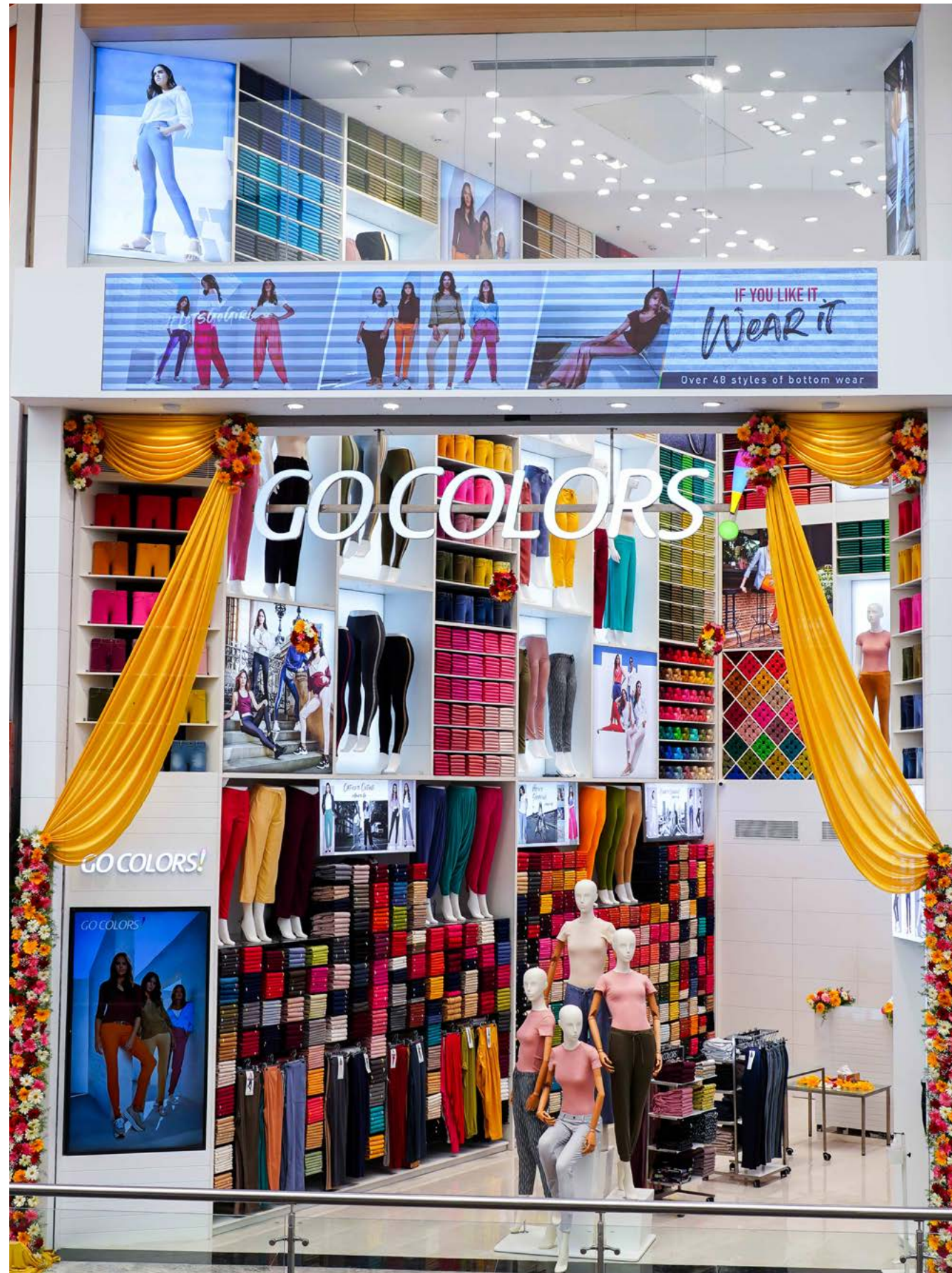
**Definition**  
This is derived through the accretion of shareholder-owned funds

**Why is this measured?**  
Net worth indicates the financial soundness of the Company – the higher the better

**What does it mean?**  
This indicates the borrowing capacity of the Company and influences the gearing (which, in turn, influences the cost at which the Company can mobilise debt)

**Value impact**  
The Company's net worth increased 55% in the last financial year, largely on account of inflows following the IPO





## The big picture

1

**A tectonic shift** in India has transpired in the way women live, work and wear.

This change – especially in the last couple of decades – has been bigger than in the previous centuries combined.

The ferment of these changes is most visible in what women wear.

What they wore for decades – saris and salwar-kameez – is now being replaced by trendier apparel.

More colours. More categories. More designs.

Making them look, feel and think younger.

2

**One apparel item** has played a decisive role in women's transformation.

Bottomwear.

Bottomwear has helped changed an age-old picture of how women should look.

Across ages, regions and economic classes.

An entirely new world has opened out in terms of bottomwear choice.

Churidars. Leggings. Dhotis. Harem pants. Patialas. Palazzos. Culottes. Pants. Trousers. Jeggings.

Across ethnic wear, western wear, fusion wear, athleisure, denims, plus sizes and girls wear categories.

The world is transforming bottom up.

Literally.

3

**Go Fashion (India) Limited.**

Among India's first organised sector companies to have responded with speed to change.

Selected to focus on the unprecedented opportunities thrown up by the bottomwear segment.

By marketing a range of products in diverse colours.

By reaching products directly to consumers through proprietary retail stores.

By designing, outsourcing and marketing trendy products, delighting customers.

By pricing affordably and democratising bottomwear across India's millions.

4

**So what business** are we really in.

Just bottomwear?

We don't think so.

We are engaged in a serious and far-reaching exercise.

We are engaged in making women feel better and younger.

We are engaged in the transformation of conventional women images.

We are engaged in making believe they can be whatever they seek to be.

The growth that you see on our Balance Sheet is a byproduct.

## The rationale for our optimism

8.3

% is women's bottom-wear market as a proportion of the women's apparel market, FY 20

9.6

% of women's bottom-wear market as a proportion of the women's apparel market, FY 25E

12.35

% CAGR of the women's bottomwear market, FY 20 to FY 25

13,547

₹ Crore, size of the women's bottomwear market in FY20

24,315

₹ Crore, estimated size of the women's bottomwear market by FY25



THE FIRST WORD

# We are bringing to an unprecedented sectorial opportunity a distinctive preparedness



### Overview

I am pleased to present the maiden Annual Report of your Company following its IPO in November 2021.

The IPO represented the culmination of an 11-year journey and marked the commencement of a new phase in the Company's existence. The over-subscription of our IPO offering by

135 times validated our governance, Balance Sheet strength and strategic clarity.

I am pleased to communicate that this confidence in our competence was validated in our performance during the year under review. The Company reported profitable growth: even as revenues strengthened 60%, EBITDA

increased 157% and profit after tax improved 1,106%. The Company reported profitable growth in a year marked by supply chain disruptions, commodity inflation, geopolitical stress and the pandemic-induced slowdown. Besides, the revenue growth reported by the Company compared favourably with the relatively modest growth of the country's textile sector during the year under review. These realities only validate the under-current within our sector and the robustness of our distinctive business model.

I am pleased to communicate that the improvement in our performances is also accompanied by an improvement in our operating hygiene. The Return on Capital Employed of the Company – the single most important metric by which we appraise our performance – strengthened by 697 bps to 10.35% during the year under review. Correspondingly, EBITDA margin strengthened 1120 bps to 29.7%, working capital cycle increase in a challenging period was a moderate 190 days compared to 171 days in FY 2020-21. The conclusion is that we didn't just grow our business in a linear manner in the last financial year; we created a platform for the sustainable growth of our Company across the foreseeable future.

I am pleased to communicate that the improvement in our performance enriched our new shareholders. The Company's performance in the stock exchanges strengthened from an offer price of ₹690 per share to ₹1,011.50 by the end of the last financial year, a validation of the trust in the Company's business model. Your Company was valued at ₹5,463 Crore as on 31<sup>st</sup> March 2022, indicative of its performance and prospects.

### Case for optimism

I will utilise this communication to explain why I am optimistic about our prospects.

The consumption-driven Indian economy appears to be at the cusp of the next growth round. Per capita incomes are rising; a new round of national investment (especially in infrastructure) is likely to generate a cascade of income growth down the line for a range of sectors to benefit from; a change in social norms has translated into a slightly more casual form of women's dressing that has opened up a large opportunity room for bottomwear; the bottomwear market is making use of a range of yarn and fabric availability to enhance comfort; the incidence of women working commercially has widened the market across colours, fabrics and finishes; the social media has catalysed bottomwear offtake and shrunk fashion cycles; the transforming market for bottomwear is touching users across all ages.

In view of these reasons, we see the evolving nature of the bottomwear market as one of the most attractive

drivers within the Indian apparel sector. The sheer size of the retail apparel market – a market of around 88 Bn people – makes it the widest such bottomwear opportunity in the world.

The total bottomwear market of ₹13,000 Crore is expected to grow 12.35% per annum to emerge as a ₹24,000 Crore opportunity by 2025. The organised bottomwear market of ₹3,000 Crore in 2020 is expected to grow to ₹9,000 Crore by 2025.

### Our preparedness

At Go Fashion, we are not seeking to be just another player in the face of this emerging opportunity; we are seeking to capture an attractive share of India's bottomwear market.

We are bringing to this opportunity a distinctive preparedness.

**One**, we have selected to focus exclusively on the bottomwear segment; we will not dilute our attention by allocating our investable resources in seeding other apparel segments. We believe that a large bottomwear headroom exists even



**We believe** that in a business where the customer's experience is possibly the most decisive differentiator of why businesses succeed or fail, we will grow our direct engagement in a controlled and calibrated manner.



as the country's population continues to grow – a good instance of a largely under-penetrated market becoming even larger.

**Two**, we will grow our Direct to Consumer engagement through the EBO and online routes. We believe that in a business where the customer's experience is possibly the most decisive differentiator of why businesses succeed or fail, we will grow our direct engagement in a controlled and calibrated manner. By 'controlled', one indicates that we will grow our business to the extent our cash flows permit and without the use of debt. By 'calibrated', one refers to the fact that proprietary-driven growth will enable the control of all variables, maximising the retail experience that translates into a larger wallet share on the one hand and a superior base-widening word-of-mouth recall on the other.

**Three**, we will continue to be design-driven. Our designs will be driven by the evolving fashions of the day. We will capitalise on the fact that the consumer of today seeks to match and combine different bottomwear styles as opposed to the conventional approach where the upper and bottomwear were matched or possessed similar design characteristics. We will leverage the power of Big Data that will be available to us by the virtue of our customer-interface, resulting in informed productisation. Our ability to deliver trendy and attractive designs will reinforce our positioning as a go-to bottomwear brand in India. We are respected for our differentiation ('If it is Go Colors, it must be bottomwear') and we intend to stay that way.

**Four**, we believe the scope of our growth is influenced by the speed with which we can expand our distribution network. We had 503 stores as on 31<sup>st</sup> March 2022; 57% of our presence covered eight leading cities in India. We see a large market; we see a growing market. Our capacity to address this vast potential will only



be limited by the extent of the market we can cover with speed, putting a premium on our ability to address the largest markets first. In view of these realities, we selected to be present in 135 urban locations using a cluster-based approach in Tier 2 and 3 cities; we penetrated these locations through the rollout of more stores within reasonable proximity, building

a 'network effect' that enhanced the customer's familiarity and confidence.

**Five**, even as the bottomwear market in India is virtually limitless, we have selected to address only a specific segment of this market – the upper to mid-market customer. This segment accounts for the largest share of the market; this segment is growing attractively following evolving lifestyle

patterns; this segment retains the prospect of servicing the same customer who may graduate from the mid-segment to the upper end over time; the price positioning (80% of the product mix priced at ₹1,000 or lower) provides an incentive to the Company to enhance realisation following improvements in the product mix.

**Six**, we will deepen our brand investments. We will continue to build the Go Colors recall in India that is turning from unorganised labels to organised brands. We will do so through our consistent bottomwear focus (enhancing the recall of a specialist); we will continue to widen our portfolio through superior styles (enhancing the recall

of contemporariness); we will continue to resist discounting as our product is core and essential in nature (97% of our EBO sales were generated from non-discounted wares).

**Seven**, we will continue to remain manufacturing-agnostic; we will continue to deepen our outsourcing relationships with dependable cutting cum stitching vendors by providing them with quality raw material fabricated as per our design. This arrangement will keep us focused on what we believe is the most critical function: interfacing with customers, understanding their needs, designing and producing just what they desire.

### The big picture

At Go Fashion, we recognise that in the face of an unprecedented opportunity, it would be conservative to undershoot our ambition.

Our focus is to emerge as the largest bottomwear brand of India.

Our commitment is to graduate from just another brand to an 'influence.'

Our desire is to emerge as the go-to brand among customers around the recall of 'Go Colors will have just what I am looking for.'

Our aspiration is to emerge as the one-stop destination for all bottomwear needs (leggings, trousers, harem pants and palazzos).

Our desire is to become a generic name, implying that whenever one thinks of 'bottomwear', the first recall will be Go Colors.

Our time starts now.

**Gautam Saraogi**  
Chief Executive Officer



# How 'Do Right' resides at the core of our governance commitment

At Go Fashion, governance lies at the heart of our business.

Our principal product is marketed not around over-stated promises; it is marketed around the simple assurance of trust.

A homemaker or working woman buys our 'GoColors' brand because

she is convinced that the apparel will be good for her image and comfort. At our company, governance is the hundreds of things that we must do to protect that promise and assurance.

We believe that this commitment will be virtually impossible to sustain if we leave things to chance and hope that

everything falls into the right place at the right time. We believe that such a commitment can only become a consistent reality if it is built around a framework that is secure, scalable and sustainable.



## Trust

At Go Fashion, we believe that there is one word that encapsulates all that we are all that we do - 'trust'. We believe that trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us with risk capital, why bankers lend and why communities support us. Over the years, we have invested in enhancing this trust quotient through various initiatives that have been described in this document.



## Discipline

At the base of our governance pyramid lies the discipline to do things once and again in a consistent manner. We believe that governance is nothing but the commitment to keep doing things however challenging or inconvenient it may be at times, convinced that eventually the gains will be disproportionately higher than all the investments of time, effort and funds that have been made. This discipline has helped the Company maintain a delta (margin in lieu of our raw material processing capability) through market cycles. During good markets when returns exceed our desired delta, we pass the upside to our trade partners, strengthening their loyalty.



## Doing things the right way

At Go Fashion, we believe governance is nothing more than the commitment to do the right things (in addition to doing the right things for enhance efficiency). This combination enhances organisational predictability and consistency, taking shocks out of the system and attracting stakeholders who believe in doing business this way. We are pleased to communicate that a large proportion of our dealers have remained with us for years, enhancing resource and revenue visibility, the basis of our long-term sustainability.



## Long-term

At Go Fashion, we have selected to build the business around long-term patience. This approach has influenced all the investments we have made in our assets, technologies, brands, people, locations, products and trade partners. For instance, we invested more in plant infrastructure and technologies with the perspective that this would not just provide us with a superior product quality but would be future-proofed from technology obsolescence and enhance our productivity across the years. We believe that this approach - expensive upfront but considerably low cost when seen from a long-term perspective - has translated into the highest standards of technology, integrity and competencies at our company. This commitment to 'Do Right' has translated into business robustness and stability.



## Singular focus

At Go Fashion, we believe that core competence is the biggest insurance against cyclical downturns. In view of this, we have consciously not diluted our corporate attention away from our core business focus: we have selected to position ourselves not as much as an apparel company as much as a holistic utility products organisation. We believe that our productisation competence has been leveraged to market a range of bottomwear products. This positioning has enhanced our strategic clarity, opened us to sectoral opportunities, attracted knowledge professionals and strengthened our product research, a direct result of selecting to focus on fashion-related opportunities. At Go Fashion, we balance the volume-value mix based on consumer demand.



## Distinctiveness

At Go Fashion, we recognise that we are in business to provide a distinctive value to our customers and consumers - through a differentiated product, engagement or experience. Over time, this distinctiveness has translated into the Company being recognised as a sectorial outlier and respected player in the geographies of its presence.



## Data-driven

At Go Fashion, we are an analytics-driven organisation. We have invested in digitalisation with the forward-looking objective to accelerate processes, generate rich data (consumers, customers, consumption, markets etc.) resulting in an accurate understanding of ground realities on the one hand and informed decision-making on the other. This approach has helped mature the organisation to one that is driven largely by technology-aided information sharing. We believe that, going ahead, our investment in ERP, data analytics and other digitalisation initiatives will strengthen our processes and fact-based decision-making.





**Expand incrementally**

At Go Fashion, we address a market that is annually growing in double-digits. To expand aggressively in this market implies that we would need to price below established players that could disturb market stability or nurse large unutilised capacity until a time that market growth caught up our installed base. We believe that steady growth is the safest response: capital expenditure that can be largely addressed through our accruals, does not compel us to disturb market pricing and seek lower prices that could in turn affect our brand and earnings potential. Besides, this approach does not stretch our managerial bandwidth.



**Audit and compliance-driven**

At Go Fashion, we believe that business predictability and the absence of unforeseen systemic shocks are the result of a review driven system. In view of this, we strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers. The result of this high-review culture is that the Company has not incurred statutory penalties in its existence.



**Board of Directors**

At Go Fashion, we believe that our strategic direction is largely influenced by our Board of Directors. In view of this, we have placed a premium on our Board composition, comprising professionals and industrialists of standing. These individuals have enriched our values, experience, multi-sectoral business understanding and strategic quality. We believe that our sustainable growth has been the result of the direction provided by the Board, an invaluable asset.



**Balanced approach**

At Go Fashion, we have selected to balance caution and aggression (strategic aggression and tactical conservatism), a relatively de-risked approach. As a part of this approach we focus on capital investments generating an attractively short-term payback, maximising cash flows over mere paper profits and reinvestment into the business. The measure of our strategic balance is an attractively low gearing and our ability to largely fund our expansions through accruals.



**Culture of excellence**

At Go Fashion, we believe that in our business the level of excellence that we aspire to makes the difference between a good and great company. In view of this, we have created an organisation where 'good' is not good enough; we have invested in a culture of overarching excellence directed towards emerging as the sectoral benchmark in terms of quality (product and process) as well as resource productivity leading to continuous cost management and sustainability across market cycles. We made prudent investments to enhance manufacturing efficiency (optimal input-output ratios) while seeking to invest in processes that conserve time and material use.



**No positions**

At Go Fashion, we do not take speculative positions of any kind irrespective of the nature of price swing or market price. This moderates periodic profit spikes on the one hand and limits downsides from sharp price declines, strengthening our business surpluses from competent resource processing only. The Company will not seek short-term arbitrage opportunities around yarn purchase.



**Process-driven**

At Go Fashion, we believe that growth can be best derived when the promoter charts out a strategic direction and delegates day-to-day management to professionals. To facilitate the reporting of periodic progress, the Company deepened its investment in processes and systems, especially information technology. We believe that this framework of processes represents a scalable foundation that will enable the Company to grow profitably and without a significant increase in employees required to manage operations.



**Controlled growth**

At Go Fashion, we believe that business sustainability is best derived from controlled growth as opposed to one-off profitability spikes. In line with this conviction, the Company has allocated accruals into incremental investments. This has helped the Company grow its business in a sustainable way without stretching its Balance Sheet or managerial bandwidth.



**Six contrarian ways we are addressing the vast potential of our sector**

<p><b>1</b></p> <p><b>TREND</b> Many companies would have ventured into fabric manufacture to capture the full extent of value-addition</p> <p><b>OUR RESPONSE</b> The Company selected to focus on marketing as a core competence instead</p>	<p><b>2</b></p> <p><b>TREND</b> Many companies would have franchised the rollout of their retail stores to grow with speed</p> <p><b>OUR RESPONSE</b> The Company largely rolled out proprietary-owned stores, controlling its brand personality</p>	<p><b>3</b></p> <p><b>TREND</b> Many companies would have rolled out retail stores fastest across the Indian landmass</p> <p><b>OUR RESPONSE</b> The Company selected to focus on some of the largest Indian cities, deepening its recall and logistical effectiveness in those locations</p>
<p><b>4</b></p> <p><b>TREND</b> Many companies would have priced highest synced with the strength of their brand strength</p> <p><b>OUR RESPONSE</b> The Company leveraged its economies of scale and competitiveness to generate savings from within, price lower than competition and emerge as a price-setter</p>	<p><b>5</b></p> <p><b>TREND</b> Many companies would have extended success within one product vertical into adjacent product verticals</p> <p><b>OUR RESPONSE</b> The Company invested deeper within the same vertical (bottomwear), strengthening economies of scale and competitiveness</p>	<p><b>6</b></p> <p><b>TREND</b> Many companies would have invested considerably in brand promotion</p> <p><b>OUR RESPONSE</b> The Company leveraged the power of word-of-mouth goodwill, moderating brand expenses to only 1.26% of turnover</p>



FINANCIAL OVERVIEW

# How Go Fashion has created a financial foundation for the future



### Overview

Go Fashion secured its financial foundation during the year under review. This foundation comprises the chassis for sustainable value-creation: a complete reliance on accruals, strong brand, turn-to bottom wear provider, profitable store operating dynamics, product outsourcing and growing revenue headroom.

The biggest achievement of the Company was the capacity to protect its brand and continue building its Balance Sheet. This achievement was creditable on account of a surge in consumer demand following the first quarter, which was achieved in the face of unprecedented inflation, diverse challenges (social, political and economical), pandemic interruptions, rise in oil prices and increased logistics costs.

### Clarity

The Company's strategic clarity is captured in the following priorities:

- » Sustained brand building
- » Business growth through increased store rollout, same store revenue growth and judicious price increases
- » Protected or improved credit rating
- » Balance Sheet growth structured around accruals (no debt)
- » Sustained cost management (through growing economies)

### Credit rating

The Company reported a creditable performance during the year, which translated into a credible credit rating of CRISIL A-Stable and ICRA A- / Stable. We see the rating as an index of our competitiveness across market cycles and our objective will be to return to our erstwhile rating with speed.

### Revenue growth and mix

Go Fashion reported record revenues, which were higher than what had been initially anticipated. The Company finished the year under review with revenues of ₹401 Crore. The growth was profitable: Revenues grew 60%, EBITDA grew 157% and profit after tax strengthened 1,106%. Revenue growth helped amortise fixed costs, strengthening profitability. All the Company's operational revenues were derived from a single business segment (bottomware). Some 50% of our sales come from leggings and churidars and the balance 50% comes from other value-added products like trousers, harem pants, patialas and palazzos. Quarterly revenues peaked in the third quarter on account of festive season demand (highest in any quarter in the Company's existence).

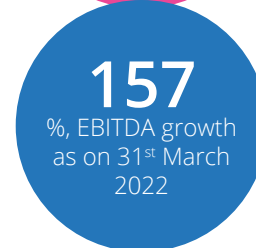
The Company effected two price increases during the year under review, the first such instance in years, responding to increase in the sourcing cost of goods sold.

### Sales channels

The Company's sales channels comprised exclusive buying outlets (EBOs), large format stores, multi-brand outlets and online. The majority (72.9%) revenues were derived from EBOs during the year under review; 20.2% revenues were derived from large format stores; 3.1% came from online sales and 3.9% from multi-brand and other outlets. The Company's multi-year engagements were with large format stores (asset-light engagement) and MBOs. The proportion of revenues derived from EBOs was 68.9% in FY 2020-21. The quantum of receivables was ₹60.21 Crore at the close of FY 2021-22 compared with ₹47.14 Crore at the close of FY 2020-21; the receivables cycle was 55 days of turnover in FY 2021-22 compared with 69 days in the previous year.

### Owned store dynamics

The Company continued to roll out EBOs more than alternative formats on account of superior EBO profitability. The Company generated average revenue of ₹61.46 Lakh per EBO unit during the year under review (₹38.52 Lakh in FY 2020-21). The average investment (including inventory) per EBO was ₹35 Lakh in FY 2021-22 (₹35 Lakh in FY 2020-21). The average size of each EBO was 404 sq ft in FY 2021-22 (380 sq ft in FY 2020-21). The proportion of EBOs that went in for refurbishment during the year under review comprised 3% of the year-start EBO number. The city with the largest number of EBOs





was Mumbai with 47 units. The largest eight cities where the Company was present accounted for 65% of the Company's revenues in FY 2021-22 (62% in FY 2020-21 from EBOs); these eight cities accounted for 57% of the Company's EBOs.

**Non-discounted approach**

By the virtue of bottomwear being a core product that does not go out of fashion, the Company does not discount its sticker price. Before the pandemic, more than 95% EBO sales were generated at full price; during FY 2021-22, 97% EBO sales were generated at full price, translating into strong and steady margins quarter-on-quarter.

**Unit realisations**

The Company has positioned itself as a value-for-money bottomwear brand, pricing itself attractively by leveraging its asset-light approach, procurement economies and capital efficiency. The average realisation per unit sold by the Company was ₹661 during the year under review compared with ₹584 in the previous year. The Company passed cost increases on two occasions during the last financial year (out of only few such occasions in its existence).

**Capital efficiency**

At Go Fashion, we aspire to generate a return higher than what our risk partners (shareholders) would generate if they invested in different asset classes. During the year under review, the Company reported RoE of 9.87%, which was higher than the prime lending rate of 8.8% within the Indian economy. The RoE generated by the business was 1111 bps higher than in the previous year. The Company strengthened EBIDTA margin 1120 bps during the year under review to 29.7%. Net profit margin strengthened 1030 bps to 8.9%.

**Liquidity**

At Go Fashion, financial liquidity empowers the Company to invest in capital expenditure through earnings, negotiate better with vendors (in exchange for immediate payment) and attract marquee stakeholders. The Company's strategic clarity is reflected in the fact that if given a choice between maximising revenues with stretched liquidity or moderate-to-high revenues with enhanced liquidity, the Company will select the latter.

The Company measures liquidity in various ways: net cash on the books, net worth, gearing and interest cover. Net worth was ₹438.41 Crore. Interest cover was 5.10 in FY 2021-22 as against 2.25 in the previous year. Debt-equity ratio remained attractive at 0.57, compared with 0.82 in 2020-21 (the Company increased net worth by ₹155.47 Crore).

The Company continued to prioritise financial liquidity in FY 2021-22. It finished the year under review with 144.04 Crore in cash and cash equivalents and was 86.09 Crore as on 31<sup>st</sup> March 2021. This liquidity represents an attractive corpus to fund sustained store rollout, purchase raw material, pay outsourcing partners on time and keep growing the business in a sustainable way.

**Capital expenditure**

At Go Fashion, we are engaged in ongoing capital investment that comprises aggressive store rollout. The Company invested ₹14.65 Crore in accelerating store rollout during the year under review-15% of its gross block as on 31<sup>st</sup> March 2022. By the virtue of the capital expenditure being allocated principally to widening the sales platform, the Company expects to grow revenues sustainably.

**Debt philosophy**

At Go Fashion, a declining quantum of debt is integral to our long-term

profitability. This preference has been influenced in no small measure by the Company's asset light (manufacturing) business model that has selected to outsource products than manufacture them directly. The absence of debt on the books has helped conserve resources (that would have been paid out as interest), protect the Balance Sheet from uncertain markets and secure business sustainability.

**Working capital hygiene**

The Company secured its working capital hygiene by generating all revenues from proprietary sales channels, negotiating comfortable payable to vendors in exchange for growing procurement and marketing product variants enjoying strong offtake from 171 days FY21 to 190 days in FY 2021-22. The inventory days was 151 days for FY 2021-22 and 118 days for FY 2020-21 to protect its supply chain at a time of volatile change. This increase in inventory stocking cost was more than recouped through enhanced sales, economies of scale and protected profitability. The Company's inventory management is technology-based, monitoring sales in real-time. For any SKU, though our product is not seasonal, we keep an eye on how the product is maturing over the quarters, discerning trends. The Company's replenishment-based inventory management automatically accommodates a demand decline, protecting the Company from large unsold inventories.

**Same store sales growth**

The Company generated 31% increase in same-store sales growth in H2 FY 2021-22 compared with a corresponding figure of (36.75)% during the previous year (even as the same-store sales growth for the full years are not comparable on account of the low base effect of the previous year on account of the pandemic). Revenue from an increase in same-



store sales accounted for 47% of overall revenue growth during FY 2021-22. The SSSGs enjoy a tailwind on account of a consumption shift from the unorganised to organised sector. These SSSGs could sustain or improve at a CAGR of more than 10%, marked by a long growth runway.

**Capital allocation discipline**

The Company will continue to grow its business through increased store rollout and procure a larger quantity of raw material to be given to outsourcing partners to make a larger quantum of bottom wear products. This asset-light approach is expected to strengthen capital efficiency. The Company's mobilisation of ₹118.77 Crore through the Initial Public Offer was allocated (or will be allocated) in the following manner:

Objects of the issue	RS. Crore
Funding the roll out of 120 new EBOs	33.73
Funding working capital requirements	61.40
General corporate purposes	23.64
<b>Total</b>	<b>118.77</b>

**Financial objectives**

The Company will seek to grow revenues without stretching working capital management. It will strengthen profitability through prudent raw material sourcing, inventory management, productisation and pricing without compromising its longstanding brand strength.



# OUR BRANDS REPORT, 2021-22



## Overview

Go Fashion (through its brand Go Colors) has played the role of a catalyst in growing the bottomwear segment in India.

Go Fashion influenced the adoption of standards by the rest of the players of this large sector, transforming itself from just another player into a sectorial influence.

The prominent contributions of Go Fashion to India's bottomwear sector have comprised the following:

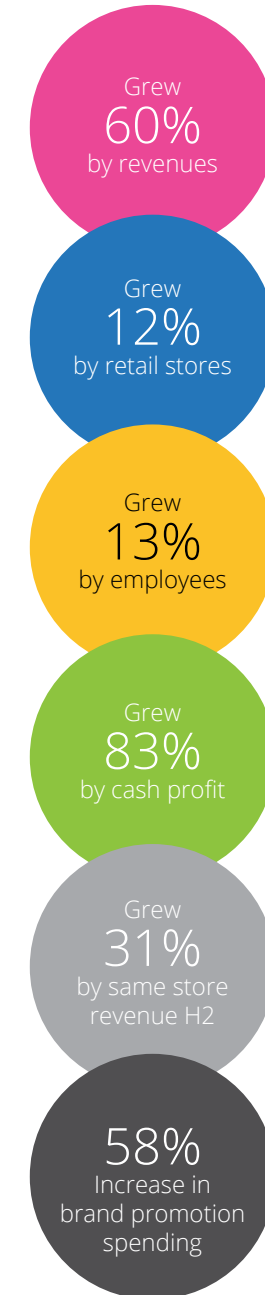
- » The evolution of India's unorganised bottomwear to brand-driven organised
- » The ability to transform a conventional product push (price discounting) to a consumer pull (fair pricing)
- » The ability to graduate a local or zonal business to national scale

The price range for Go Colors' women's bottom-wear varies from ₹249 to ₹1,599, depending on the target segment.

In the recent past, e-commerce in India has been characterised by funding from foreign investors leading to high discounting to attract customers in a bid to grow the market and make consumers habituated to online shopping. On the other hand, players in the core bottom-wear segment like Go Colors offer limited discounts on select sizes / clearance sales. This has helped the Company liquidate inventories without price mark-downs.

Go Colors products are priced in the mid-category value segment. The Company's brand reported attractive sales recovery following the pandemic compared to fashion brands. The average selling price of Go Colors was approximately ₹600 per piece, addressing varied income segments and empowering the brand to penetrate deeper into Tier 3 and 4 towns.

## The performance of our Go Colors brand, FY 2021-22



Brand	Average selling price (₹)	Price range (₹)	Extent of discounting (%)
Go Colors	661	249 to 1,599	2-3

# Our focused bottomwear product portfolio

We are among few Indian women's apparel retailers that offer bottom wear products across multiple categories resulting in one of the largest offerings



**Ethnic wear**

- Churidar
- Silk pant
- Patiala

*Others: Kurti-pants, salwar and dhoti*



**Western wear**

- Cargo pant
- Culottes
- Formal trouser

*Others: Leggings, cropped jegging, trousers, ponte pants, track pants, treggings and shorts*



**Denims**

- Capri
- Denim Culottes
- Jegging

*Others: Jeans and denim palazzos*



**Lounge wear**

- Lounge viscose short
- Lounge viscose capri
- Lounge viscose pant

*Others: Lounge knit pants, lounge capris and lounge shorts*



**Fusion wear**

- Jegging
- Pencil pant
- Palazzo

*Others: Harem pants*



**Athleisure**

- Track pant
- Active legging rib
- Jogger



**Go Plus**

- Legging
- Palazzo
- Pencil pant

*Others: Churidars and jeggings*



**Girl's wear**

- Legging
- Jegging
- Track pant

*Others: Palazzos, shorts and Harem pants*



## Review of our Brand Performance, 2021-22

### Q: How did the Company's Go Colors brand perform during the year under review?

The performance of the brand was creditable when one considers the number of challenges it encountered. There was a temporary and partial lockdown of the markets due to the pandemic in the first quarter of FY 2021-22 when demand fulfilment became challenging. There was a sharp increase in yarn costs during the year, there were supply chain disruptions and there was a fear that enhanced inflation would affect family disposable incomes that could impair bottom wear demand.

The Company performed creditably in this environment. The Company generated a handsome increase in revenues for diverse reasons – increased offtake following the low base effect of the previous financial year, enhanced offtake following the vaccination rollout and decline in social distancing, 57% increase in the number of stores rolled out and 31% increase in same-store revenues. The complement of these realities translated into a revenue break-out year for the Company.

### Q: What is the one decisive factor driving the Go Colours brand?

The principal driver of the success of the Company's brand was the Company's focus. In an increasingly brand-centered world, there has been a secular decline in consumer recall. Consumers are finding it increasingly difficult to associate products with recalls. We believe that the most powerful driver of our recall is that we have

consciously selected to focus on one apparel category – women's bottom wear. There are some effective positives working in the Company's favour: it is recognised as a specialist and one-stop bottom wear solution provider. The result is that the Go Colors brand has inspired the recall that 'Whatever the need, Go Colors will have it.' The brand upside was reflected in the Company's revenue growth during the last financial year.

### Q: How did the Company build in this advantage?

An important part of the Company's business model is its uncompromising marketing proposition. The Company thinks bottom wear, dreams bottom wear and lives bottom wear. There is a corollary: the Company thinks marketing, dreams marketing and lives marketing. There is a rationale for this orientation: we believe that a tectonic shift is presently underway in women's wear in India: this shift is most visibly reflected in women's bottom wear. The shift potentially affects 700 Mn individuals, possibly the largest bottom wear opportunity anywhere in the world. The priority of the day is to create the largest brand in the business, carve away a large market share and create an enduring recall. This strategic clarity has warranted the largest capital allocation to the most profitable segment of the business. We believed that at a time of rapid market evolution and shift from the unorganised to organised businesses, the priority lay in allocating the largest proportion of our financial resources to marketing and consumer engagement (as opposed to manufacturing in pursuit of the widest value chain).

### Q: How would you justify the rationale for this capital allocation?

If the Company had invested in manufacturing operations, the business would have been asset heavy. This would have warranted us to mobilise debt, restricting our capacity to grow the business through accruals. Besides, the scale of manufacture would have been larger than the Company's store scale, making it imperative for the Company to market the manufactured fabric to other companies or brands and then compete within them in the marketplace – an irony. The Company recognised that the only feasible manner in which it could scale the business and brand with speed was by remaining asset light – outsourcing the manufacturing, negotiating the most cost-effective conversion terms in exchange for growing volumes, and investing resources that could have been directed in manufacture towards marketing. This one decision has proved the most decisive: what would have been a stretched Balance Sheet (if one had followed the manufacturing route) was under-borrowed as on 31<sup>st</sup> March 2022 (gearing of only 0.57 based on long-term debt); what would have been an asset-heavy business is now a cash-accretive business (₹144.04 Crore of net cash and cash equivalents as on 31<sup>st</sup> March 2022). We have no doubt that this approach proved decisive for the long-term health of the Go Colors brand.

### Q: How else has this retail-centric approach strengthened the Company's brand?

This approach has strengthened the Company's brand – corporate and product – in two ways. The decision of the Company to control its retail interface has translated into a uniformly high service standard across the Company's retail presence – whether it is in Delhi, Bangalore or Mumbai. A distinctive brand experience has been created: there is a consumer expectation from Go Colors; this expectation is drawing the consumer to buy more and to refer more. This validates what the management of our Company has consistently professed: control the controllable and build on the buildable. This has helped the Company widen the market and capture a progressively larger share.

### Q: What else was responsible for the outperformance of the Go Colors brand?

The other factor behind the sustained outperformance of the Go Colors brand is a dimension relatively under-rated: the ability to interface with the consumer. Over the years, our Company selected to market products largely through direct consumer engagement (owned retail stores). The result of this direct engagement is that the Company enjoys access to consumer purchase trends and preference patterns. This immediate access to consumer preferences serves to either validate or course-correct, resulting in an ongoing portfolio evolution. The result is reflected in the numbers: inventory

at the close of FY 2021-22 was ₹165.91 Crore and 151 days of turnover equivalent. The Company's working capital cycle increased from 171 days FY 2020-21 to 190 days in FY 2021-22 of turnover during the year under review. We believe that this relative working capital management was the result of largely (not completely) engaging with consumers with no loss in translation.

### Q: The one question pertaining to the Go Colors brand is related to the quantum of brand spending and spending transmission loss.

At our Company, the Go Colors brand applies in two ways – the Go Colors store and the Go Colors product. We believe that if we spend on promoting the store, the spillover effect will strengthen our product brand – and vice versa. This is one way in which we have selected to minimise brand transmission loss. The second means of minimising brand spending loss is ensuring that we are present in more than 130 cities. By the virtue of going deeper into cities through a larger cluster of stores, we have enhanced our urban visibility, strengthening accessibility and recall. By expending on stores (number, location, visibility and proximity to other stores) what we would have otherwise invested in brand promotion, we ensured traction and lower transmission loss. The result was visible in the numbers: ₹5.07 Crore invested in brand spending generated ₹401 Crore in sales during the last financial year.

### Q: What else contributed to brand effectiveness?

At our Company, there is clarity on who we are selling to. We are not going to be everything to everybody. We are a brand with a distinctive personality catering to the growing needs of specific consumer segments: the one ranging from the mid-priced segment to the upmarket. This segment is vast, upwardly mobile and graduating to bottom wear. Within these prices, we deliver a broad range of colours, fabric, styles and products – virtually a product for every need.

### Q: The last question: How has the brand been priced?

The operative word that we used at our Company is 'premium value', which is distinct from the word 'premium'. The term 'premium value' refers to the consumer generating a 'surplus' at whatever price she purchases. When it would have been easy to price higher on the grounds that the product was branded and organised, we did the opposite – we priced attractively right, and created a new price point for the products we offered. We did so for two reasons: we carry the responsibility of widening the market and accelerating the shift from unorganised to organised brands; we believe that competitive pricing opens wondrous doors: outperforming sales growth over the sectorial average, economies of scale, lower cost structure, strong margins and attractive cash flow available for reinvestment – a virtuous cycle.





# What the Go Colors brand stands for

“Quality above all”

“Refreshing range”

“What colours!”

“Everything that a consumer would want”

“Value for money!”

“Accessible, available and affordable”

“Makes one look and feel younger”

“Got everything for every age from 8 to 80”

“Makes India younger”

“Transforms conventional into contemporary”





## Our Go Colors brand personality

**Opportunity-responsive:** More than a decade ago, the Company perceived the women's market moving from a centuries-old sari tradition market to a two-piece separate market, with a growing importance for bottom wear and few organised bottom wear players at that time

**First-mover:** The brand focused on bottom wear as it was becoming an essential category addressing functional needs. The Company responded to the opportunity, becoming the first company to launch a women's bottom wear brand. The segment is perennial and not subject to seasonal trends.

**Design:** The Company's in-house designers and merchandisers focus on creating quality products with innovative designs, optimal fit and sizing. The brand designed products in line with fashion, fabric, textiles, wearability, stitch and pricing trends - for every occasion, including daily wear, office wear, festive, denim and lounge wear available in over 120 colours.

**Choice:** The brand widened bottom-wear choice, offering a range of quality products across styles like ethnic, fusion, western etc. and across categories like churidars, leggings, jeggings, denim and linen bottom-wear products.

**Non-discounted:** The brand is core and essential to customers, marked by negligible discounts and full price sales. The Company caters to all income segments, empowering it to address customers in Tier II and III urban clusters. The brand is less vulnerable to changes in fashion trends because of core product categories or SKUs and demand perenniality.

**Option:** The brand offers customers the option to 'mix and match' their bottomwear (purchased from us) with top-wear (purchased from elsewhere) across multiple colours, widening choice - among few women's apparel retailers to offer bottom-wear products across all categories (ethnic, western wear, fusion and denims)

**Affordable:** The brand's average selling price of around ₹661 makes it affordable for all income groups.

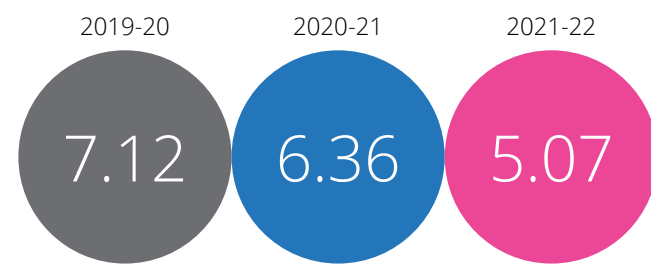
**Product development:** The brand has gone through 44 product development cycles (establishing vendors, order quantity, colours etc.), establishing the supply chain, economies of scale and a working capital advantage.

**Convenience:** The brand has adopted a multi-channel approach with its brick and mortar presence, its own website, presence on marketplaces as well as vertical specialists; it also aggressively implementing technology to catalyse growth.

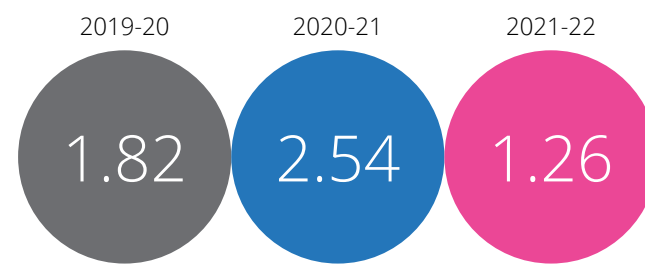
**Brand discipline:** The Company created a singular Power Brand in 'Go Colors', maximising recall.

**Accessibility:** The brand's accessibility is marked by an extensive network of stores, one of the largest among key women's apparel brands in India. The brand was also retailed through large format stores across cities spanning the country in addition to online marketplaces and a proprietary website.

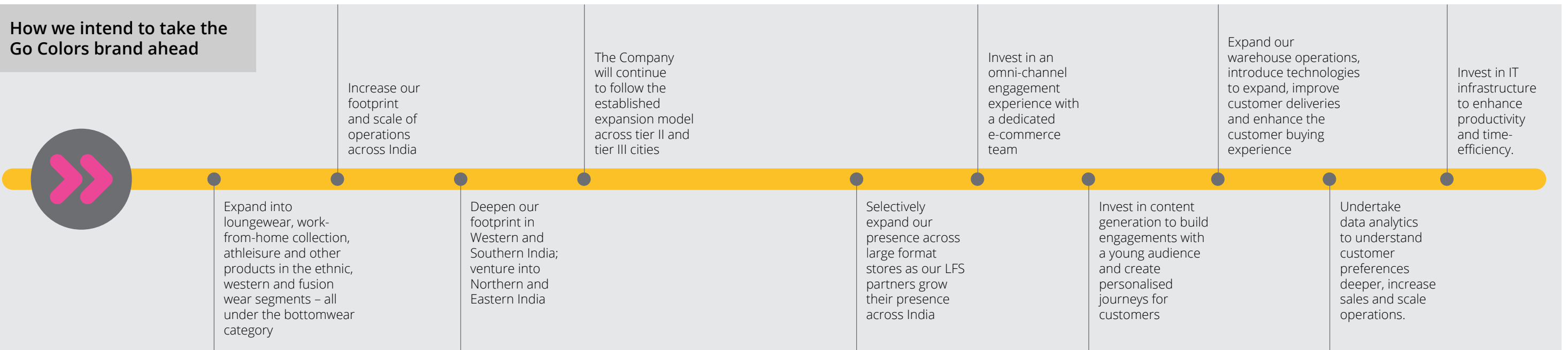
BRAND SPENDING (₹ CRORE)



BRAND SPENDING (AS % OF REVENUES)



### How we intend to take the Go Colors brand ahead





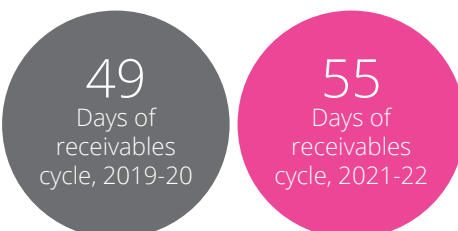


# The Courage of Go Fashion

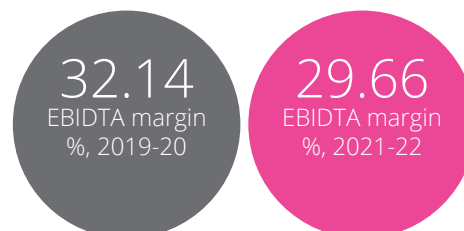
- Premium:** Go Fashion is focused on the premium to the mid-priced, aspirational and trendsetting
- New price points:** Go Fashion has demonstrated the courage to create new price points in India's bottomwear textiles segment
- Family:** Go Fashion introduced product categories that covered women's requirements for all ages
- Pioneering:** Go Fashion invested in trendsetting products, convinced that supply will create demand.
- Choice:** Go Fashion provides a choice across 3,000+ SKUs, among the largest in India's bottomwear sector

## Our Go Colors brand at work...

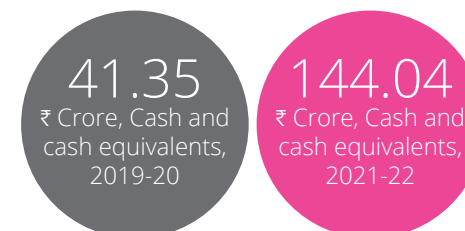
Helped the Company reasonably maintain the receivables cycle



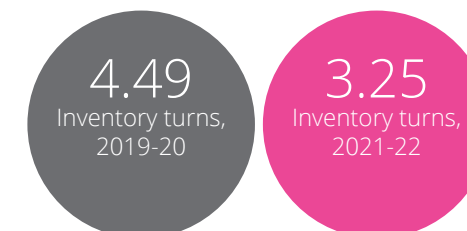
Helped the Company enhance margins



Helped the Company turn net cash surplus



Helped the Company reasonably sustain inventory turns





INTEGRATED VALUE-CREATION REPORT

# At Go Fashion, we have been structured to enhance stakeholder value in a sustainable way

## Overview

In the modern world, it is no longer enough to enhance shareholder value. The operative term that is being increasingly used is 'stakeholder value'.

By the very nature of the term, 'stakeholder' does not merely refer to the interest group that owns shares in the Company. It refers to every single individual or sentiment belong that is likely to be influenced by the Company's brand, product or operations. In short, it refers to everyone and everything, living or not.

This represents an understanding of how the value sought to be created needs to be integrated across all stakeholders, the measure by which all companies are appraised. This Integrated Value-Creation Report is being increasingly respected for its appraisal of 'hard' and 'soft' initiatives in its reporting format. The report draws on diverse strands (financial, management commentary, governance, remuneration and sustainability reporting) in explaining an organisation's ability to create, enhance and sustain value.

Interestingly, the influence of an Integrated Report enhances an understanding across diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers), underlining the need for an organisation to enhance value in a sustainable manner.

## Our sustainability framework

### Strategy

- » Market bottomwear products that address unmet needs
- » Focus on proprietary store rollout
- » Provide an integrated range-led bottomwear products basket

### Distribution footprint

- » Pan-India footprint across 27+ States and 4 Union Territories
- » Commission EBOs in growth pockets
- » Selectively engage also through LFS, MBO and online formats

### Brand and customer capital

- » Invest in the Go Colors brand
- » Widen the bottom wear products portfolio; enhance consumer choice
- » Widen the bottomwear portfolio

### People competence

- » Enhance talent productivity
- » Invest in knowledge, experience and passion
- » Deepen the culture of outperformance

### Procurement economies

- » Procure the best resource quality
- » Procure most economically through better terms of trade
- » Procure sustainably through superior relationships

### Marketing excellence

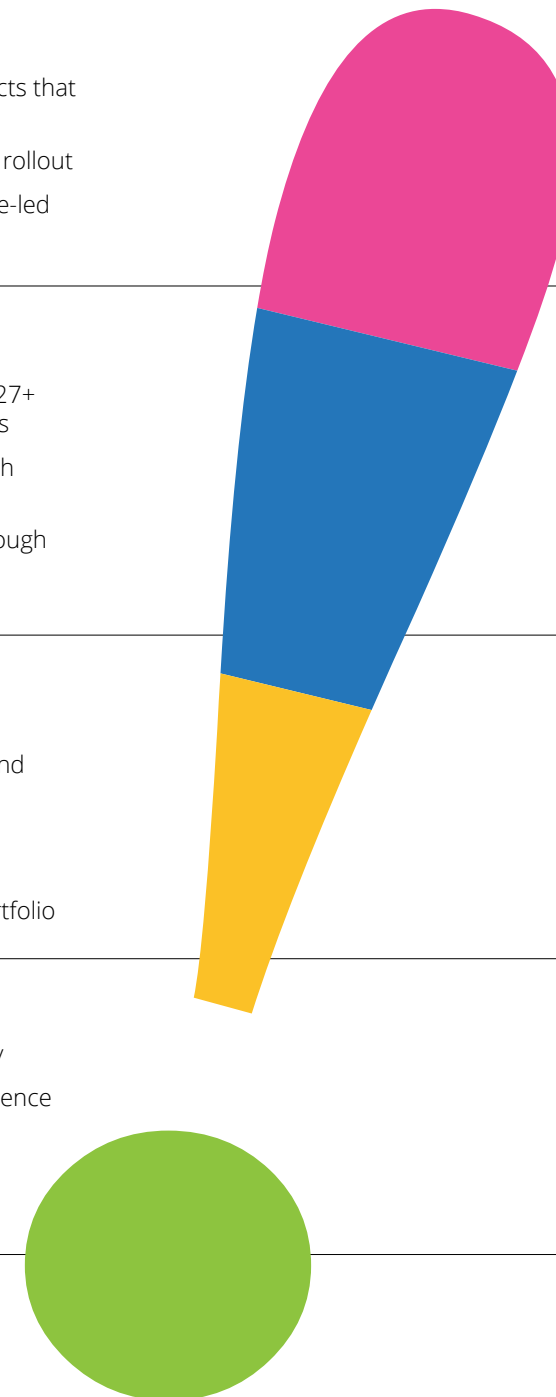
- » Focus on enhancing inventory turns
- » Focus on non-discounted sales
- » Focus on superior working capital management

### Financial structure

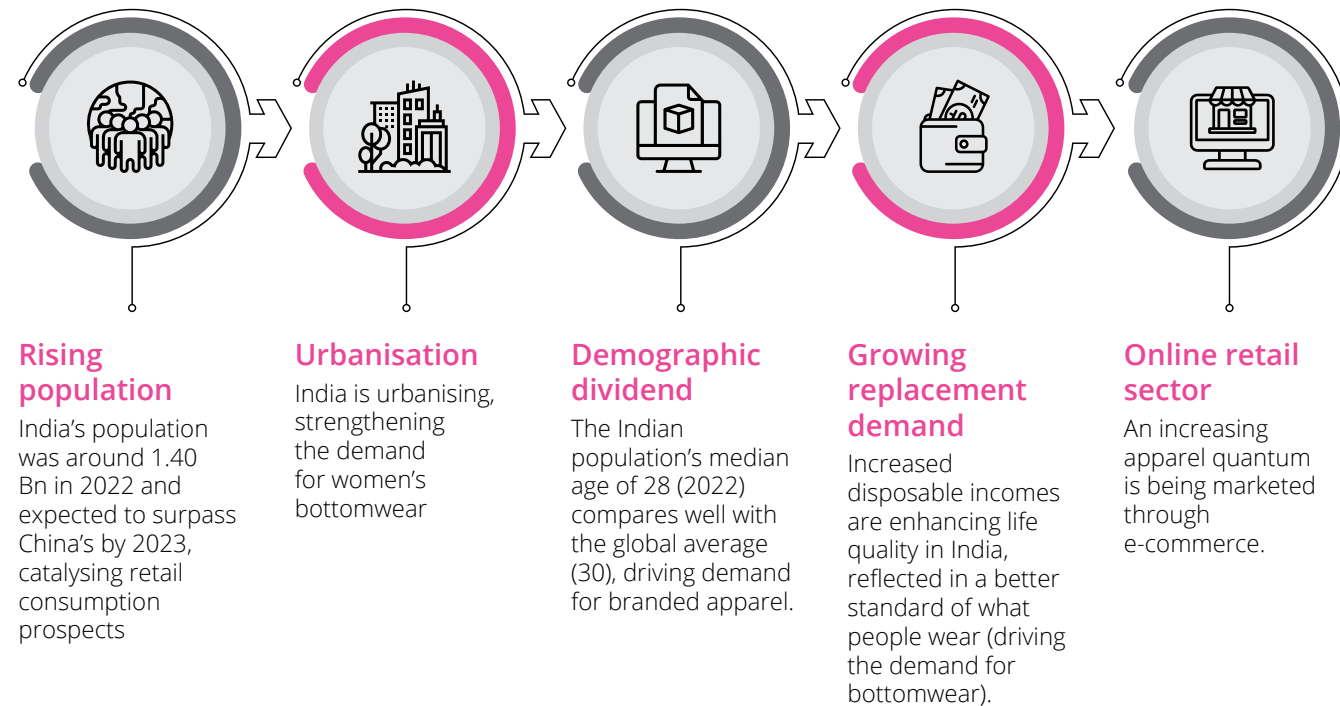
- » Moderate debt / debt cost
- » Strengthen working capital efficiency
- » Focus on premium quality offerings

### Community support

- » Provide community support
- » Focus on integrated development
- » Engage in a sustainable way for extended impact



## Our sustainability is derived from a favourable sectorial reality



(Source: Population U, Business Standard, Indian Retailer, Statista, India.com)

## How the sectorial context is translating into value at Go Fashion

Stronger brand recall (corporate and product)	Higher revenues	Growing market share	Cross-sale within the bottomwear category	Larger customer wallet share
COCO EBO stores	Perennial product relevance	No product discounting	Robust Balance Sheet	Debt-free company

## The value-creation journey at Go Fashion Our resources











## Our strategy

Strategic focus	Key enablers	Material issues addressed	Capitals impacted
First-mover position with respect to sectorial developments; commitment to launch designs first; focus on carving away sizable market share	Investment in research, data analytics and design Nurturing a culture of pioneering product launches Integration of analysis findings with business development	Ability to ascertain competing influences and players Ability to ascertain whether the timing is right for business development Ability to establish a superior price-value proposition Ability to fund new investments	Manufactured, Intellectual and Financial
Cost leadership; widen the market and the Company's share; enhance the price-value proposition; create an effective market entry barrier	Mobilise growth capital at a low cost Maximise the use of patient capital (net worth) Leverage existing marketing and outsourcing foundation Invest in process automation investments Maximise asset utilisation (same stores sales growth)	Ability to leverage the power of a strong Balance Sheet and credit rating to mobilise low-cost funds Ability to engage in disciplined capital allocation, maximising the role of net worth in capital expenditure. Invest in superior marketing technologies that moderate per unit production costs	Financial, Intellectual, Natural and Social and Relationship
Supplier of choice; preferred brand; first to move off the shelves; trusted through regions, customers and market cycles; generate a peace of mind	Launch superior products Superior price-value proposition for customers Brand assurance of product durability and replacement (in the event of issues) Proximate retail presence and always in stock	Ongoing engagements with store managers Leaving enough value on the table for trade partners (MBOs, LFS and online) Supporting trade partners through schemes and incentives	Intellectual, Manufactured, Social & Relationship
Robust people practices; need to enhance talent productivity; need to generate rising revenues and profits per person employed; focus on remaining employer of choice	People-centric policies Industry-benchmarked remuneration Work-life balance for employees High retention, renewal, motivation and outperformance	Creating a professional and outperforming culture Retaining people across levels Creating a customer-centric culture	Intellectual, Human Relationship and Natural
Responsible citizenship; addressing the unmet needs of communities; focus on making measurable improvements	Go Fashion allocated ₹0.77 Crore for CSR activities in FY 2021-22 These activities covered enunciated priorities The engagements were carried out through a complement of NGOs	Need to ascertain unmet community needs Need to create the right CSR team and work with the right NGOs Need to derive measurable outcomes to establish credibility	Social
Stakeholder value-creation; need to establish credibility as a well-rounded organisation	Addressing the needs of all stakeholders (customers, employees, vendors, government, lenders and shareholders)	Need for a holistic needs understanding across all stakeholders Need to invest in governance, resulting in strategic stability, coupled with investments in business automation and systems	Intellectual, Manufactured and Social & Relationship

## The value we created in FY 2021-22

		Value shared with
 FINANCIAL CAPITAL	Earnings per share: ₹6.74 Market capitalisation (as on 31 <sup>st</sup> March 2022): ₹5,463 Crore	<b>Investors:</b> The Company delivered 13% growth in capital appreciation in FY 2021-22.
 MANUFACTURING CAPITAL	Revenues earned from our bottomwear business: ₹401 Crore Profit after tax was ₹35.6 Crore	<b>Suppliers:</b> The Company sourced materials and services of ₹246.73 Crore from vendors in FY 2021-22.
 HUMAN CAPITAL	Employees: ~3164 Remuneration paid: > ₹73.06 Crore	<b>Employees:</b> The Company provided remuneration worth ₹73.06 Crore in FY 2021-22.
 INTELLECTUAL CAPITAL	Cumulative senior management experience: >236 years	<b>Customers:</b> The Company marketed products, generating ₹401.31 Crore in revenues from customers in FY 2021-22
 NATURAL CAPITAL	Consumed natural resources in a moderated and balanced manner	<b>Government and regulations:</b> The Company paid ₹16.21 Crore to the exchequer in India in FY 2021-22.
 SOCIAL AND RELATIONSHIP CAPITAL	Number of vendors associated with the Company: 130+	<b>Distributors and suppliers:</b> The Company marketed ₹100.37 Crore of products through intermediaries (LFS, MBOs and online) in FY 2021-22



RESPONSIBILITY

# Our Health, Safety and Environment (HSE) commitment



## Overview

At Go Fashion, health, safety and environment considerations are fundamental to the operations, products and performance of our eco-system. This commitment is critical considering that the eco-system manufactures a product that consumes water, natural resources and electricity, any moderation in which could enhance our respect.

Our purpose is to protect our people, society and environment from injury or hazardous situations even though we do not directly manufacture

the end product. A responsible HSE culture enables us to build a positive health and safety culture while protecting the personnel and property invested in our business. The Company complies with the statutory laws and requirements to carry out work in a safe and uninterrupted business environment. The Company conducts periodic HSE induction training, campaigns and awareness programmes for employees.

The Company aims to comply with applicable health and safety

regulations and other requirements in our operations. It adopted an environment, energy, occupational health and safety policy aimed at complying with legislative requirements, requirements of licenses, approvals, certifications and ensuring employee safety. The Company implemented work safety measures including general guidelines for health and safety at its offices and warehouses, accident reporting, wearing safety equipment while maintaining clean and orderly work locations.

## Our HSE commitment

HSE is an integral part of our business. The Company maintains a high standard of environment, health & safety management and aims to:

- » Establish and maintain working conditions that are safe for employees, customers contractors and visitors
- » Comply with applicable health, safety and environment norms and other statutory/legal requirements
- » Communicate the HSE policy to our employees and interested parties to minimise impact
- » Using and maintaining personal protective equipment and systems
- » Maintaining good housekeeping, conservation of natural resources and preventing pollution
- » Taking account of environment, health, safety and loss preservation in planning and decision making.
- » Developing and maintaining appropriate emergency procedures and contingencies plans, as per norms.
- » Achieving continuous improvement in HSE performance by way of risk assessment, audits and employee participation
- » Protecting the environment, biodiversity, ecosystem and prevention of pollution by controlling our business activities

## Safety

As the Company is engaged in the retail sector, the operating environment implemented hygiene checks. The Company invested in a pollution-free environment with sanitation and health coverage

for employees. There were no untoward incidents on account of an adequate compliance with statutory requirements, leading to no penal consequences.

## Environment

Being engaged only in retail, the Company invested in warehouse and store safety. The Company got a no-objection certificate from the fire safety department coupled with periodic team training on emergency management. The norms were periodically reviewed by the senior management, reported to the Board and communicated within the organisation with a clarity on responsibility allocation. The safety organogram comprised the allocation

of roles and functions, periodic reporting to stakeholders (internal and external), informed onboarding of employees with training, mock drills, investment in suitable infrastructure (safety equipment and apparatus). Safety violations are attended immediately and action taken to rectify to prevent recurrence. The Company measured safe operations (accidents, accident-free hours, etc). The Company replaced the use of plastic carry bags in stores with paper bags.

## Health

The Company provided a clean environment through periodic hygiene checks across its warehouses and stores. The Company provided medical

coverage as part of a government scheme of ESIC and Medclaim from a prominent insurance company.



BUSINESS DRIVER

## Our supply chain management



### Overview

The Company outsources manufacturing operations to job workers (moderating fixed costs).

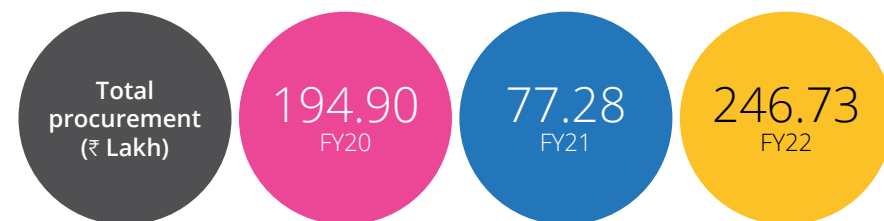
The Company did not enter into long-term agreements with suppliers; it issued purchase orders in line with sourcing requirements (limited purchases from traders and intermediaries)

The Company increased fabric purchase from mills and weavers (by blocking a significant portion of their production capacity) to maintain quality and delivery consistency.

Automation helped optimise inventory; ERP system enabled the Company to streamline procurement (without over- or under-stocking).

The Company provided raw materials, including logos to job workers.

The Company conducted periodic fabric and garment inspections at supplier and job worker units, covering quality standards, conformity with regulatory processes and product quality tracking.



BUSINESS DRIVER

## Inventory and warehouse management



### Overview

The Company's inventory management comprised product allocation for all sales channels and store planning.

This was based on assessing the sales potential and requirements.

The Company endeavoured to ensure that product requirements and order fulfilment at each store, across store formats, were addressed competently

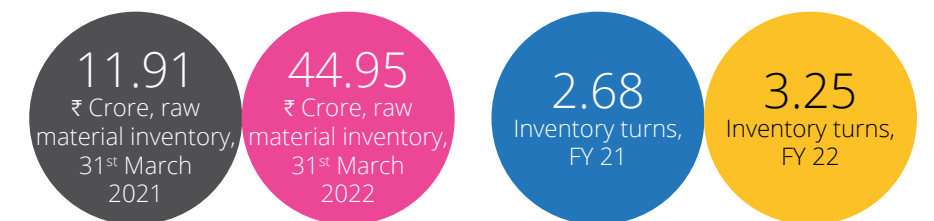
The Company's inventory, logistics and supply chain was addressed from a 99,100 sq. ft. warehouse in Tirupur

capable of handling complex SKU mixes.

The Company tracked business intelligence reports generated by the system to address changing trends and customer preferences (minimising write-offs).

The Company strengthened its existing end-to-end process automation in FY 2021-22; it intended to undertake data analytics to enhance customer experience

### Big numbers





BUSINESS DRIVER

# Our design process excellence



### Overview

The Company's design team comprised 11 employees as of 31<sup>st</sup> March 2022

Institutionalised product development comprised experienced design professionals and periodic upgradation in product offerings. This helped introduce new products in various colours and sizes.

The Company institutionalised product development leveraging cross-functional teamwork, research and trend forecasting, concept development and sample development.

The Company conducted significant market research to develop differing

sizes across products, organised in different thematic collections and addressing multiple occasions.

The design and development process involved preference analyses through an understanding of pricing as well as retail and consumer feedback.

The productisation factored 'core', 'essential' and regional or international preferences.

During the fiscal year, the Company launched 12 styles, possessing extensive scale (3000+ SKUs) of innovative products

BUSINESS DRIVER

# Sales & retail marketing



### Overview

The Company's multi-distribution channel pan-India retail strategy comprised sales through exclusive buying outlets, large format stores, multi-brand outlets and online channels (online marketplaces and the Company's website).

The Company exceeded more than 500 stores in FY 2021-22.

The Company endeavoured to provide customers with premium quality products across a price range from ₹249 to ₹1,599.

More than 80% products were priced at less than ₹1,000.

The strength of the 'Go Colors' brand and round-the-year portfolio relevance resulted in full-price products with negligible discounts.



### Exclusive Brand Outlets (EBO) model

» Revenue from EBOs were ₹29,255 Lakh in FY 2021-22, accounting for 73% of revenues.

» The cluster-based and company owned company operated (COCO) model enhanced operational control and store profitability.

» The Company's EBOs were located in high streets, malls, residential market areas in major metros, large cities and Tier II and III cities as well as airports.

» The average EBO size was 400-500 square feet with lease tenures ranging from 11 months to nine years

» The Company operated across 503 EBOs in India as of 31<sup>st</sup> March 2022,

#### Performance indicators of our EBOs

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Total EBOs	503	449	448
Cities covered	134	114	110
Same-store sales growth	31%	(36.75)%	11.37%
Average store area (square feet)	403.73	379.64	348.89
Sales per square Feet (₹)	14,406	10,135.26	17,063.83

### Large format stores (LFS) model

Revenue from product sales at large format stores comprised ₹8,099 Lakh as on 31<sup>st</sup> March 2022 and accounted for 20% of our revenue from operations in FY 2021-22. The LFS grew from 1,267 as of 31<sup>st</sup> March 2021 to 1,473 as on 31<sup>st</sup> March 2022.

The large format stores (LFS) comprised Reliance Retail Limited, Central, Unlimited, Globus Stores Private Limited and Spencer's Retail, among others.

The agreements with such retailers were non-exclusive; they ranged from one to three years.

The Company supplied products on a sale or return basis; it provide its staff to such stores to facilitate sales.

The Company shared a certain percentage of the margin on the maximum retail price of products.

#### Our EBOs and LFSs across top two cities, next 6 cities and balance Tier I, Tier II and Tier III and IV cities

Particulars	FY 2021-22	
	EBOs	LFSs
Top two cities (1)	107	82
Next six cities (2)	182	318
Total	289	400

### Online channels

The Company markets products through online market places and its website www.gocolors.com

The agreements with online retailers are non-exclusive and valid unless terminated

The agreements are marked by sharing a specified percentage of sales

The Company also intends to expand its EBO network, enhancing sales fulfilment with omni-channel experience

#### Revenue generated from online sales

Particulars	FY 2021-22		FY 2020-21	
	Amount (₹ Lakh)	% of Total Revenue	Amount (₹ Lakh)	% of Total Revenue
Online marketplaces	901.24	2.25	924.60	3.69
Website	326.54	0.81	269.50	1.08
Total	1,227.79	3.06	1,194.00	4.76

## BUSINESS DRIVER

# Talent management



### Overview

The Company's human resource team focused on recruiting talented or qualified personnel and retaining them.

The Company strengthened amenities and facilities for employees comprising medical and accident insurance coupled with wellness and physical health programmes.

The Company strengthened weekly on-job training and review, enhancing productivity.

The Company implemented performance-based incentive plans

for EBO and LFS store employees. The Company's employee induction focused on feedback and interaction between new employees and the senior management.

The Company's HR value proposition comprised no bias based on gender, religion, caste, creed and others; a culture of meritocracy; promotion of creativity and innovation; a work-life balance; ongoing learning and development; discipline and compliance.

**Employees**

Year	FY 2019-20	FY 2020-21	FY 2021-22
Employees	2,914	2,793	3,164

**Average age**

Year	FY 2019-20	FY 2020-21	FY 2021-22
Average age	29	28	28

**Employees by gender**

Year	FY 2019-20	FY 2020-21	FY 2021-22
Male	1,551 (53%)	1,482 (53%)	1,640 (52%)
Female	1,363 (47%)	1,311 (47%)	1,524 (48%)

**Employees by age group**

Year	FY 2019-20	FY 2020-21	FY 2021-22
Age group 22 - 35	2,503 (86%)	2,371 (85%)	2,607 (82%)
Age group 36 - 45	288 (10%)	263 (9%)	253 (8%)
Age group 46 - 60	60 (2%)	52 (2%)	55 (2%)
Other group 18-22	63 (2%)	107 (4%)	249 (8%)
Total	2,914	2,793	3,164

**Profile of employees as per education**

Year	FY 2019-20	FY 2020-21	FY 2021-22
Graduates	504	651	790
Masters	88	86	76
Engineers	87	111	133
MBA	43	54	64
Chartered Accountants	3	4	4

**Retention rate (%)**

Year	FY 2019-20	FY 2020-21	FY 2021-22
People retention rate in %	62	65	66

**Employee output (in revenue of output) per rupee of revenue**

Year	FY 2019-20	FY 2020-21	FY 2021-22
Employee output per rupee of revenue	15.48	8.78	13.47

**Employee cost as a percentage of total revenue**

Year	FY 2019-20	FY 2020-21	FY 2021-22
Employee cost as % of revenue	13%	22%	15%

# What our senior team members have to say about the Company's culture

"I suffered from a heart-related issue in 2017. The Managing Director called and assured me complete support. Suddenly the stress was gone."

**Head-Information Technology**

"During the last five years, the Company grew from 50 stores to 500 stores, backed by a growth in outsourcing, portfolio and technology investment. No management would have invested as much in IT at the start of its journey."

**Head-Information Technology**

"I have been working with our Managing Director Prakash Kumar Saraogi for 24 years (even before our company started). The Company was the brainchild of Mr. Saraogi's wife. She came up with the idea to launch leggings in 2007-08, so in a way, she has been a trendsetter. This is how opportunity-prepared the Company is: picking up a stray comment and building a business around it."

**Head (Warehouse)**

"The Company represents the growth-oriented face of India: there were ~700 employees in 2018 and now there are more than 3000. We add 10 to 15 new stores every month across the country. Our EBOs have minimal manpower with excellent communication skills. If people stay with us, it is on account of the trust, collaboration and openness that we evoke. This is a values-driven company generating superior value."

**Head of Human Resource**

"As someone who enjoys learning new things and believes in growing consistently —these are two aspects the Company's focuses on the most - Go Fashion is a great place to work at. I admire the Company's commitment to integrity, openness, diversity and straightforwardness. The first public offering of our company stands out in my memory not just because of the extraordinary listing valuation but also because we were able to execute it in record time, which widened my knowledge of GST rules and due diligence."

**Head (Finance & Accounts)**

"I joined Go Fashion when we attracted investment from Sequoia to build a category in the organised sector that never existed. It was a challenge moving consumption from the unbranded to branded bottom wear. What worked wonders for us was the nature and style of our retail stores, which now makes us a single-stop destination. Having been with the Company for over seven years I have seen remarkable growth - personally and company wise - looking after marketing through online and large format stores. This then is a growth company - in more sense than one."

**Head of Marketing**



ENGAGEMENT

# Corporate social responsibility



The Company constituted a corporate social responsibility (CSR) committee and implemented a CSR policy on 14<sup>th</sup> June 2017, pursuant to which the Company carries out its CSR activities. Since then, corporate social responsibility has been integral to the Company's culture.

The Company works closely with the underprivileged communities through interventions in the areas of education, skill development, healthcare, sanitation, rural development and social welfare.

₹ in Lakh

FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
4.60	25.79	6.05	168.06	76.85

## CSR initiatives, FY 2021-22

<p><b>Promoting education and skill development</b></p> <p>During the year, the Company collaborated with Global Vipassana Foundation, in addition to contributions towards educational and skill development. The Company provided aid of ₹72.56 Lakh for promoting Global Vipassana Foundation, Chennai.</p>	<p><b>Healthcare</b></p> <p>The Company provided aid of ₹2.29 Lakh to Voluntary Health Services for purchasing Covid-19 equipment in Chennai.</p> <p>An aid of ₹1 Lakh was contributed to The United Educational And Social Welfare Trust for providing basic health facilities to an orphanage located in Coimbatore, Tamil Nadu.</p>	<p><b>Women empowerment/ health &amp; hygiene</b></p> <p>The Company contributed ₹1 Lakh for a women empowerment centre in Selaiyur, Chennai.</p>
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# Company Information

## Board of Directors

- Mr.Sridhar Srinivasan – Chairman & Independent Director
- Mr.Prakash Kumar Saraogi – Managing Director
- Mr.Gautam Saraogi – Executive Director & Chief Executive Officer
- Mr.Dinesh Madanlal Gupta – Independent Director
- Ms.Rohini Manian – Independent Director
- Mr.Rahul Saraogi – Non – Executive Director
- Mr.Ravi Shankar Ganapathy Agraharam – Non Executive Investor Nominee Director

## Key Managerial Personnel (KMPs)

- Mr.Prakash Kumar Saraogi – Managing Director
- Mr.Gautam Saraogi – Executive Director & Chief Executive Director
- Mr.R.Mohan – Chief Financial Officer
- Ms.V.Gayathri – Company Secretary & Compliance officer

## Committees

### Audit Committee

- Mr.Dinesh Madanlal Gupta – Chairman
- Mr.Sridhar Srinivasan – Member
- Mr.Gautam Saraogi – Member

### Stakeholders Relationship Committee

- Mr.Rahul Saraogi – Chairman
- Mr.Rohini Manian – Member
- Mr.Gautam Saraogi – Member
- Mr.Ravi Shankar Ganapathy Agraharam – Member

### Nomination and Remuneration Committee

- Mr.Dinesh Madanlal Gupta – Chairman
- Mr.Sridhar Srinivasan – Member
- Mr.Rahul Saraogi – Member

### Corporate Social Responsibility

- Mr.Gautam Saraogi – Chairman
- Mr.Prakash Kumar Saraogi – Member
- Mr.Rahul Saraogi – Member
- Mr.Dinesh Madanlal Gupta – Member

## Risk Management Committee

- Mr.Gautam Saraogi – Chairman
- Mr.Rahul Saraogi – Member
- Mr.Sridhar Srinivasan – Member
- Mr.R.Mohan – Chief Financial Officer

## Statutory Auditors

M/s. Deloitte Haskins & Sells LLP  
Chartered Accountants, Chennai

## Internal Auditors

ASA & Associates LLP  
Chartered Accountants, Chennai

## Secretarial Auditors

M/s.R.Sridharan & Associates  
Company Secretaries, Chennai

## Principal Bankers

RBL Bank, Chennai  
ICICI Bank, Chennai

## Registrars & Share Transfer Agents

Kfin Technologies Limited (Formerly Kfin Technologies Private Limited)  
Hyderabad

## Stock Exchange where Company's Shares are listed

National Stock Exchange of India Limited (stock code – GOCOLORS)  
BSE Limited (Stock code – 543401)

## Registered & Corporate Office

Sathak Center, No.4, 5<sup>th</sup> Floor, Nungambakkam High Road, Chennai – 600034.

## Company's Website

www.gocolors.com

## Corporate Identity Number

L17291TN2010PLC077303

## ISIN

INE0BJS01011

## Notice of the 12<sup>th</sup> Annual General Meeting

**NOTICE** is hereby given that the 12<sup>th</sup> Annual General Meeting (the "AGM") of the Members of Go Fashion (India) Limited (formerly known as Go Fashion (India) Pvt.Ltd) (the "Company") will be held on Monday, September 12, 2022 at 10.00 hrs IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements.

To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.

#### 2. Appointment of Mr.Prakash Kumar Saraogi (00496255) as a Director liable to retire by rotation.

To appoint a Director in place of Mr.Prakash Kumar Saraogi (00496255) who retires by rotation and being eligible offers himself for reappointment.

### SPECIAL BUSINESS:

#### 3. Approval from members for nomination of one Investor Nominee Director as required under clause 105A of Articles of Association of the Company

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to Article 105A of the Articles of Association of the Company and applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to approve the nomination of one Investor Director by Sequoia Capital India Investments IV ("Sequoia") until Sequoia holds 10% of the shareholding of the Company (on a fully diluted basis).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution Mr.Gautam Saraogi, Executive Director & Chief Executive Officer and Ms.V.Gayathri, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution.

#### 4. Increase in payment of remuneration by way of Independent Director Fees to Mr.Srinivasan Sridhar (DIN: 00004272) , Non- Executive Director for the Financial Year 2022-23, above fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to Regulation 17(6)(ca) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the Company, be and is hereby accorded for increase in payment of remuneration from ₹12,00,000 to ₹18,00,000, for the Financial Year 2022-23, by way of Independent Director Fees to Mr.Srinivasan Sridhar, (DIN: 00004272), who is a Non-Executive Director in receipt of remuneration in excess of fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company for the said Financial Year.

**RESOLVED FURTHER THAT** the Mr.Gautam Saraogi, Executive Director & Chief Executive Officer and Ms.V.Gayathri, Company Secretary be and are hereby severally authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.

#### 5. Reclassification of Authorised Share Capital and Consequent Alteration of Memorandum of Association.

To consider and if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 13, 61 and 64 of Companies Act, 2013 (hereinafter referred as the "Companies Act") read with Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, and the provisions of the Memorandum of Association and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to re-classify the Authorized Share Capital of the Company as below:

The existing Authorized Share Capital of the Company i.e., ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores Only) comprising of 5,60,00,000 (Five Crores Sixty Lakhs only) equity shares of face value of ₹ 10/- each and 49,00,000 (Forty Nine Lakhs) Compulsorily Convertible Redeemable Preference Shares of ₹ 100/- each, be and is hereby re-classified to ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores Only) comprising of 10,50,00,000 (Ten Crores Fifty Lakhs only) equity shares of face value of ₹ 10/- each.

**RESOLVED FURTHER THAT** pursuant to Section 13, 61 and 64 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the shareholders be and is hereby accorded to substitute the existing clause V of the Memorandum of Association of the Company with the following new Clause V:

The Authorized Share Capital of the Company is ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores Only) comprising of 10,50,00,000 (Ten Crores Fifty Lakhs only) equity shares of face value of ₹ 10/- each."

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, Mr.Gautam Saraogi,

Executive Director and Chief Executive Officer and Ms.V.Gayathri, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient and to sign, execute and submit all the requisite documents with the appropriate authority including filing of requisite documents with the Registrar of Companies."

**By order of the Board**  
For Go Fashion (India) Limited  
(formerly Go Fashion (India) Private Limited)

**V. Gayathri**  
Company Secretary & Compliance Officer  
Membership No. A25942

**Registered Office:**  
Sathak Center, No.4, 5<sup>th</sup> Floor,  
Nungambakkam, Chennai - 600034

Date: August 10, 2022  
Place: Chennai

### NOTES:

- In view of the continuing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, Circular No. 02/2021 dated 13<sup>th</sup> January 2021, Circular No. 2/2022 dated 5<sup>th</sup> May, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only.
- AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and MCA Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, MCA Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, MCA Circular No. 2/2021 dated 13<sup>th</sup> January, 2021 and MCA Circular No. 2/2022 dated 5<sup>th</sup> May, 2022 and Circular no. SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI.
- Pursuant to the aforesaid Circulars, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. For this purpose the corporate members are requested to send resolution/ authorization authorizing their representatives to attend the AGM through VC and vote on its behalf to the following e-mail address : companysecretary@gocolors.com.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020 the Company is



providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as electronic voting on the date of the AGM will be provided by NSDL.

7. In line with the Circulars issued by Ministry of Corporate Affairs (MCA), the Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.gocolors.com](http://www.gocolors.com). The Notice and the Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com)).
8. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Register of the Company will remain closed from Tuesday, 06<sup>th</sup> September, 2022 to Monday, 12<sup>th</sup> September, 2022 (both days inclusive).
9. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the members in electronic mode. Members can send an e-mail to [companysecretary@gocolors.com](mailto:companysecretary@gocolors.com) requesting for inspection of the Registers.
10. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice and the Annual Report of the Company is uploaded on the Company's website [www.gocolors.com/investor-relations](http://www.gocolors.com/investor-relations)
11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Monday, 05<sup>th</sup> September 2022 only shall be entitled to avail the remote e-voting facility as well as electronic voting in the AGM.
12. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Monday, 05<sup>th</sup> September, 2022 ("Incremental Members") may obtain the User ID and Password by either sending an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or calling on Toll Free No. 1800 1020 990 and 1800 22 44 30. If the member is already registered with NSDL e-voting platform, then he

can use his existing User ID and password for casting the vote through remote e-voting

13. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest. Pursuant to SEBI LODR Amendments, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form and the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.
14. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar & Transfer Agents. The nomination forms can be downloaded from the company's website [www.gocolors.com/investor-relations](http://www.gocolors.com/investor-relations). In respect of shares held in Electronic / Demat form, the nomination form may be filed with the respective Depository Participant.
15. As required in terms of SEBI (LODR) Regulations, 2015, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / reappointment in the AGM is appended to this Notice.
16. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1<sup>st</sup> January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1<sup>st</sup> April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at [www.gocolors.com/investor-relations](http://www.gocolors.com/investor-relations).
17. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Company / Depository Participant(s)

for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

18. Since the AGM will be held through VC / OAVM, the Attendance slip, and Route Map are not annexed to this Notice.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**

The remote e-voting period begins on Thursday, 08<sup>th</sup> September 2022 at 9:00 A.M. and ends on Sunday, 11<sup>th</sup> September 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, 05<sup>th</sup> September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 05<sup>th</sup> September, 2022.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

- (A) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Types of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-services website of NSDL Viz, <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing user ID and password. After successful authentication, you will be able to see e-voting services under value added services. Click on "<b>Access to e-Voting service provider</b> i.e. <b>NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e- voting period or joining virtual meeting &amp; Voting during the meeting</li> <li>2. If you are not registered for IDeAS e-services, option to register is available at <a href="http://eservices.nsd.com">http://eservices.nsd.com</a> select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/secureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/secureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-voting Website of NSDL. open Web browser by typing the following URL: <a href="http://www.evoting.nsd.com/">http://www.evoting.nsd.com/</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'shareholder /member' section. A new screen will open. You will have to enter your userID (ie..Your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meetings &amp; voting during the meeting</li> <li>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 10px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 5px;">   </div>

Types of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL.	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https:// web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https:// web.cdslindia.com/myeasi/ Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual shareholders (holding securities in demat mode) login through their depository participants	You can also login using credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the meeting

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll Free No.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

A) Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL:<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8-character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and client ID is 12***** then your user ID is IN300***12*****
(b) For members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID for example if your Beneficiary ID is 12***** then your user ID is 12*****
(c) For members holding shares in physical form.	EVEN Number followed by folio Number registered with the company for example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'
  - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to alagar@geniconsolutions.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **“Upload Board Resolution / Authority Letter”** displayed under **“e-Voting”** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **“Forgot User Details/Password?”** or **“Physical User Reset Password?”** option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to companysecretary@gocolors.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) companysecretary@gocolors.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform.
5. Members who have cast their votes through remote e-voting may also attend the AGM. However, those Members are not entitled to cast their vote again in the AGM.
6. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done

through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request alongwith the questions in advance atleast 3 days prior to the meeting (by 2.00 p.m. on 09<sup>th</sup> September 2022), mentioning their name, demat account number / folio number, email id, mobile number at companysecretary@gocolors.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
  6. Shareholders who would like to send their questions are requested to do so in advance atleast 3 days prior to the meeting (by 2.00 p.m. on 09<sup>th</sup> September 2022), mentioning their name demat account number/folio number, email id, mobile number at companysecretary@gocolors.com.
- General :**
1. Ms. Srinidhi Sridharan (ACS No. 47244; C.P. No. 17990) of M/s. Srinidhi Sridharan & Associates, Practicing Company Secretaries, Chennai has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
  2. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes

cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

3. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.gocolors.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited.
4. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. September 12, 2022

**By order of the Board For Go Fashion (India) Limited**

(formerly known as Go Fashion (India) Private Limited.)

**Gayathri Venkatesan**

Company Secretary & Compliance officer  
Member No: A25942

**Registered office:**

Sathak Center, No.4, 5<sup>th</sup> Floor,  
Nungambakkam High Road,  
Chennai- 600034

Date: August 10, 2022  
Place: Chennai

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

**Item No.3**

**Approval from members for nomination of one Investor Director as required under clause 105A of Articles of Association of the Company**

Clause 105A of the Articles of Association of the Company is reproduced below:

“Subject to the applicable law and the approval of the Shareholders by way of a special resolution in the first general meeting, until (a) Sequoia Capital India Investments IV (“Investor 1”) holds 10% (ten percent) of shareholding of the Company (on a fully diluted basis) and (b) Dynamic India Fund S4 US I (“Investor 2”) and India Advantage Fund S4 I (“Investor 3”), collectively hold 10% (ten percent) of shareholding of the Company (on a fully diluted basis),

they shall each have the right to nominate 1 (one) nominee director to the Board of the Company. It is hereby clarified that if the holding of any of the (a) Investor 1; and (b) Investor 2 (together with Investor 3) in share capital of the Company (on a fully diluted basis) goes below 10% (ten percent), such nomination rights will be extinguished forever with respect to such Investor, whose shareholding goes below 10%.”

Since the forthcoming AGM is the first AGM after the listing of Equity Shares on the Exchanges the shareholders' approval will be required to be taken for appointment of one Investor Director representing M/s.Sequoia Capital India Investments IV (“Sequoia”) on the Board of the Company till such time M/s.Sequoia holds atleast 10% of the paid-up share capital of the Company on a fully diluted basis.

A copy of the Articles of Association (AOA) is available for inspection members by sending an email to companysecretary@gocolors.com.

The Board recommends the Special Resolution set out at Item No.3 of the Notice for approval by the Members.

Except for Mr. Ravi Shankar Venkataraman Ganapathy Agraharam, Investor Nominee Director appointed by M/s. Sequoia Capital India Investments IV on the Board of the Company, none of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

#### Item No.4

#### Increase in payment of remuneration by way of Independent Director Fees to Mr.Srinivasan Sridhar, Non-Executive Director for the Financial Year 2022-23, above fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company

Mr. Srinivasan Sridhar ( DIN: 00004272) was appointed as an Independent Director of the company by the Members of the Company at the EGM held on August 09, 2021 to hold office for a term of five years commencing from July 22, 2021 at a fixed Independent Director fees of ₹12 lakhs per annum.

Mr. Srinivasan Sridhar has over 38 years of experience in commercial and development banking and is an associate of the Indian Institute of Bankers. Previously he was the chairman and managing director of National Housing Bank and Central Bank of India, the executive director of Export Import Bank of India and was also associated with the State Bank of India. He has been felicitated with honorary fellowship by the Indian Institute of Banking and Finance in recognition of his invaluable contribution in the field of banking and finance.

Considering the time devoted by Mr.Sridhar as Chairman (Non - Executive) of the Company & Independent Director in the Committees of the Board, in providing his valuable advice and strategic inputs to the Company on various critical business aspects, the Board recommends to increase the remuneration of Mr.Sridhar from ₹12,00,000 to ₹18,00,000 and that the remuneration payable to Mr.Sridhar for the Financial Year 2022-23 may exceed 50% of the total remuneration that may be payable to all Non - Executive Directors of the Company. The total Independent Director fee payable to Mr.Sridhar is reasonable given the size and scale of operations of the Company.

Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 every listed entity is required to obtain approval of Members of the Company by way of Special Resolution for payment of remuneration to Non - Executive Director which is in excess of 50% of the total remuneration payable to all Non - Executive Directors of the Company during a year.

Taking into account the time given and valuable contributions

made towards the Company by Mr.S.Sridhar, the Board recommends the Resolution as set out under business item no. 4 in the notice of this meeting for approval of the Members by means of a Special Resolution.

The details of remuneration of Mr.S.Sridhar for the Financial Year 2021-22, is given under the Corporate Governance Report forming part of the Annual Report. Mr.S.Sridhar holds NIL shares in the Company.

Except Mr.S.Sridhar, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the said resolution, as Special Resolution for approval of the Members.

#### Item No. 5

The Board of Directors vide resolution passed on August 10, 2022 decided to alter the Capital clause of the Memorandum of Association of the Company, to re-classify the Authorised Share Capital of the Company with the approval of the shareholders.

The authorised share capital of the Company, at present, is ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores Only) comprising of 5,60,00,000 (Five Crores Sixty Lakhs only) equity shares of face value of ₹ 10/- each and 49,00,000 (Forty Nine Lakhs) Compulsorily Convertible Redeemable Preference Shares of ₹ 100/- each.

These preference shares were issued at the initial stages of the Company's growth as a pre-requisite under the shareholders' agreement entered into with the respective Investors. Pre-IPO, these shares were converted to equity shares and the preference shares held by the Investors were fully diluted. Besides, the Company does not contemplate issuance of preference shares in future and accordingly, it is deemed appropriate to re-classify the Authorised Share Capital of the Company and for that purpose, the Memorandum of Association of the Company is proposed to be altered in the manner specified in resolution at Item No. 5 of the accompanied notice.

The alteration in the Memorandum of Association of the Company is only consequential changes to reflect the reclassification in the Authorised share capital of the Company.

Save and except for the shares of the Company held by them, none of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the said resolution, as Special Resolution for approval of the Members.

## ANNEXURE A

### Details of Director seeking appointment/ re-appointment in the forthcoming Annual General Meeting

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015)

Name of the Director	Prakash Kumar Saraogi
Director Identification Number	00496255
Category	Managing Director
Date of Birth	November 4, 1958
Age	64 years
Nationality	Indian
Date of First Appointment on the Board	09 <sup>th</sup> September 2010
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Gautam Saraogi - Son Rahul Saraogi - Nephew
Brief Resume of the Director	Mr.Prakash Kumar Saraogi has a Bachelor's degree in Chemical Engineering from Anna University, Chennai.  He is the Managing Director of the Company. He is a promoter of the Company and has over 28 years of experience in garment manufacturing, fashion industry and retail industry.
Expertise in specific functional area.	28 years of experience in garment manufacturing, fashion industry and retail industry
Board Membership of other listed companies as on 31 <sup>st</sup> March, 2022	NIL
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	NIL
Membership/ Chairmanship of Committees across other Public Companies	NIL
Membership of Committees of Go Fashion (India) Limited	Corporate Social Responsibility Committee
Remuneration last drawn	₹1,20,70,767/- per annum
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on 31 <sup>st</sup> March, 2022.	60 shares
Details of Board Meetings attended by the director during the year	Please refer Corporate Governance Section of the 12 <sup>th</sup> Annual Report 2021-2022.



# Board's Report

## Dear Members,

The Directors are pleased to present the 12<sup>th</sup> Annual Report on the business and operations of Go Fashion (India) Limited ("the Company") together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

## FINANCIALS

The key highlights of the financial results of the Company for the financial year ended March 31, 2022 in comparison with the previous financial year ended March 31, 2021 are summarised below:

Particulars	(₹ In Lakhs)	
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Revenue from operations	40,131.25	25,066.85
Less: Expenses	28,229.71	20,431.97
<b>EBITDA</b>	<b>11,901.54</b>	<b>4,634.88</b>
<b>Less:</b>		
Finance Cost	2,332.67	2,056.87
Depreciation	6,860.67	6,049.88
<b>Add:</b>		
Other income	2,079.44	3,158.42
<b>Profit before Tax</b>	<b>4,787.64</b>	<b>(313.45)</b>
Less: Tax expenses (including deferred Tax)	1,227.56	40.40
<b>Profit after Tax</b>	<b>3560.08</b>	<b>(353.85)</b>
Add: Total Other Comprehensive Income	17.62	17.83
<b>Total Comprehensive Income for the year</b>	<b>3,577.70</b>	<b>(336.02)</b>

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

- Revenue from Operations of the Company stood at ₹ 40,131.25 lakhs as against ₹ 25,066.85 lakhs for the previous year, registering a growth of 60.10 % in the revenue.
- Sales volume of the Company stood at 81.57 Lakhs pieces as against 60.88 lakhs pieces for the previous year, registering a growth of 34 % in the Sales Volume.
- EBITDA of the Company stood at ₹ 11,901.54 lakhs as against ₹ 4,634.88 lakhs for the previous year, registering a growth of 157 % in EBITDA.
- Profit after Tax(PAT) of the Company stood at ₹ 3560.08 lakhs as against loss of ₹ 353.85 lakhs for the previous year, registering a growth of 1106 % in PAT.

### Impact of COVID-19 on Business:

Further to the outbreak of second wave of COVID 19 pandemic, government was constrained to resort to restrictive measures, such as strict lockdowns which were extended to the entire country during part of the financial year from April 2021 to June 2021. In view of these restrictive measures including lock-downs, our warehouse and offices

had been temporarily shut down, impacting the revenue and business operations of the Company. As a responsible corporate citizen with a deep sense of empathy, the Company had taken all measures to ensure that most of its employees were retained. The Company has taken every measure to ensure that all workers and staffs were paid wages and salaries well on-time, significantly mitigating the adverse impact of the pandemic on our workforce. We have implemented additional safety measures such as regular temperature checks, compulsory use of masks and hand sanitization.

With the government relaxing restrictive measures, the Company's operations and sales partially resumed from July 2021. The Company's effective and efficient Business Continuity Plans ensured that its teams adapted and responded well during the pandemic, delivering significant growth in the second half of the financial year. As a result, the Company delivered the highest ever revenues during the year. The Company's cash flow situation continues to be healthy even during this pandemic year.

### DIVIDEND

Keeping in view the future expansion plans, the Board of Directors does not recommend any dividend for Financial Year 2021-2022.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has adopted the Dividend Distribution

Policy on 5<sup>th</sup> February 2022, setting out the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend, which is available on the Company's website at <https://www.gocolors.com/investor-relations>

### RESERVES

The Company does not propose to transfer any amount to the Reserves for the FY 2021-2022.

### CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED

During the year under review, the Members at their Annual General Meeting dated July 01, 2021 had approved the resolution for conversion of the Company from Private Limited Company to Public limited Company and thereafter on July 12, 2021 a fresh certificate of incorporation was issued by the Registrar of Companies, Chennai.

### INITIAL PUBLIC OFFER (IPO) OF EQUITY SHARES

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from November 30, 2021 pursuant to Initial Public Issue ("IPO") of the Company by way of a Fresh Issue and an Offer for Sale.

Out of the IPO proceeds of ₹ 12500 lakhs, the Company has utilized the funds as per the below mentioned table:

Sl. No	Item Head	Amount to be utilized	Amount utilized as on March 31, 2022	Total unutilized Amount as on March 31, 2022
1	Roll out of 120 new EBOs	3373.40	272.34	3101.06
2	Working capital	6139.80	3028.09	3,111.71
3	General Corporate Purposes	2364.00	2364.00	0
	<b>Total*</b>	<b>11877.20</b>	<b>5664.43</b>	<b>6212.77</b>

There has been no deviation in the utilization of the IPO proceeds of the Company. The Monitoring Agency Reports' are available at the Company's website at <https://www.gocolors.com/investor-relations>

Further, the details of Utilisation of Net IPO Proceeds and proceeds from Pre IPO placement for the year ended March 31, 2022 has been provided in notes to the Accounts.

### SHARE CAPITAL

#### AUTHORIZED SHARE CAPITAL

The Members of the Company, in Extra-Ordinary General Meeting dated August 09, 2021 had approved the increase in Authorized Share Capital of the Company from ₹ 80,00,00,000/- (Rupees Eighty Crores only) to ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores only).

The Directors are pleased to inform that, the Company completed the initial public offering of its equity shares ("IPO") of 14,689,983 Equity shares of ₹ 10/- each comprising of a Fresh Issue of 1,811,594 Equity shares of ₹10/- each and Offer for Sale (OFS) of 12,878,389 Equity shares of ₹ 10/- each by PKS Family Trust, VKS Family Trust, Sequoia Capital India Investments IV, India Advantage Fund S4I, Dynamic India Fund S4 US I.

As per the objects of the offer, the net proceeds of the fresh issue were to be utilised towards:-

- Funding roll out of 120 new EBOs;
- Funding Working Capital requirements; and
- General Corporate purpose.

Post the issue, 52.79 % of the Equity Share Capital of the Company is held by the Promoter and Promoter Group.

### UTILIZATION OF IPO PROCEEDS

The Company has appointed ICICI Bank Limited as the Monitoring agency in accordance with Regulation 41(2) of SEBI ICDR Regulations to monitor the utilization of IPO proceeds and Company has obtained monitoring reports from the Monitoring agency and filed the same with both exchanges where equity shares of the Company are listed. The proceeds realized by the Company from the initial Public offering shall be utilized as per objects of the offer as disclosed in the Prospectus of the Company.

### RECLASSIFICATION OF SHARE CAPITAL

- The Members of their Extra General meeting dated August 09, 2021 had approved the resolution for Reclassification of Authorized Share Capital: (i) Reclassification of 3,10,00,000 equity shares of ₹10 each, 49,00,000 Series A compulsorily convertible cumulative preference shares of ₹100/- each and 24,00,000 Series B compulsorily convertible cumulative preference shares ₹100/- each into 5,60,00,000 equity shares of ₹10 each, 49,00,000 Series A compulsorily convertible cumulative preference shares of ₹100/- each and 24,00,000 Series B compulsorily convertible cumulative preference shares ₹100/- each.
- The Board of Directors at their Board Meeting held on August 10, 2022 has approved and recommended to the shareholders for Reclassification of existing

Authorized Share Capital of the Company i.e., ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores Only) comprising of 5,60,00,000 (Five Crores Sixty Lakhs only) equity shares of face value of ₹ 10/- each and 49,00,000 (Forty Nine Lakhs) Compulsorily Convertible Redeemable Preference Shares of ₹ 100/- each, into to ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores Only) comprising of 10,50,00,000 (Ten Crores Fifty Lakhs only) equity shares of face value of ₹ 10/- each.

### PAID UP SHARE CAPITAL

#### (a) Conversion of compulsorily convertible cumulative preference share ("CCCPs") to equity shares of the company

The Board, at their Meeting held on October 29, 2021, with the written consent from preference shareholders, had approved the resolution for:

The conversion of preference shares of the Company, including 24,99,615 Series A compulsorily convertible cumulative preference shares of ₹ 100/- each and 23,99,860 Series B Compulsorily convertible cumulative preference share of ₹100/- each into 2,21,97,270 fully paid equity shares of face value of ₹10 each of the Company

#### (a) Pursuant to Initial Public Offering

Pursuant to the Initial Public Offering the company had allotted 14,689,983 Equity shares of ₹ 10/- each on November 26, 2021.

Accordingly, the total paid-up share capital of the company as on the date of this report is ₹ 540,089,840/- divided into 54,008,984 Equity shares of ₹ 10/- each.

### MEMORANDUM OF ASSOCIATION (MOA)

- (a) In order to convert the company from private Limited to Public limited company, the Members at their Annual General Meeting dated July 01, 2021 had approved the alteration in Memorandum of Association of the company.
- (b) In order to increase the Authorized share capital of the company, the Members at their Extra-ordinary General Meeting dated August 09, 2021 had approved the alteration in Memorandum of Association of the company
- (c) In order to Reclassify the Authorized share capital of the company, the members at their Extra ordinary General Meeting dated August 09, 2021 had approved the alteration in Memorandum of Association of the company

### ALTERATION OF ARTICLES OF ASSOCIATION (AOA)

- (a) In order to convert the company from private Limited to Public Limited entity, The members at their Annual General Meeting dated July 01, 2021 had approved the alteration in Articles of Association of the company.

- (b) In order to undertake the Initial Public Offering, the company was required to adopt a new set of Articles of Association. The Members at their Extra ordinary General Meeting dated August 09, 2021 had approved for the adoption of new set of Articles of Association.

### CREDIT RATING

The details of credit ratings obtained from CRISIL and ICRA are as under:

#### Ratings of CRISIL

Facilities	Amount (₹ Crore)	Ratings	Rating Action
Long Term Rating	-	CRISIL BBB+/Stable	Upgraded from CRISIL BBB+/Positive
Short Term Rating	₹65 Crore	CRISIL A2	Reaffirmed
<b>Total Facilities</b>	<b>₹65 Crore</b>	-	-

#### Ratings of ICRA

Facilities	Amount (₹ Crore)	Ratings	Rating Action
Long Term Rating	-	ICRA A-(stable)	new rating
Short Term Rating	₹65 Crore	[ICRA] A2+	new rating
<b>Total Facilities</b>	<b>₹65 Crore</b>	-	-

### HUMAN RESOURCES & EMPLOYEE RELATIONS

During the year under review, the Human Resources department of the Company focused on effective execution of plans through its qualified workforce. Understanding and responding to the trends shaping the future of work enabled us to create the best possible environment for our workforce. The Company had taken various initiatives for its employees during the COVID-19 pandemic. Some of the undertaken initiatives include ensuring safety and wellbeing of the employees, implementing work from home for staff based in office, restrictions on travel, provision of protective equipment for factory workers and changes in working practices to facilitate social distancing. The safety of those who continue to operate in our workplace as well as the mental and physical wellbeing of employees continues to be of paramount importance.

#### Employee Performance & Engagement

Reflecting the ambitions and needs of our employees, we have adopted a holistic approach to performance management, which includes providing regular meaningful feedback and recognition, while holding people accountable and promoting continuous development. This approach is directly linked to our compensation framework and promotion process. In addition, to ensure our employees' financial, social, mental and physical wellbeing throughout all stages of their lives while employed at the Company, we offer a wide range of benefits.

By using internal platforms and survey tools, we can gauge our employees' perception of their work environment and with our Total Performance approach, we have been providing a framework for regular conversations between managers and employees. The Company undertakes an open dialogue and feedback culture across the entire organization in order to promote employee and management relationship.

#### Employee Welfare and Policies

It is crucial for us to understand what motivates and engages our employees and how they perceive their work environment. Therefore, we encourage open and regular dialogue between

managers and their team members, conduct surveys and offer a framework which ensures they feel comfortable to speak up, raise concerns and are empowered to initiate improvements.

The Company has a comprehensive Human Resource (HR) policy framework, which includes maternity leave and flexible timings that help employees establish a work-life balance. There are several programmes conducted at the group level. Diversity and Inclusion at workplace helps nurture innovation, by leveraging the variety of opinions and perspectives coming from employees with diverse age, gender and ethnicity.

#### Employee and Leadership Development

The Company is committed to helping its employees develop the knowledge, skills and abilities needed for continued success, and encourages professional development throughout each employee's career. Through a well-structured training process, the Company conducts training for the workforce which in turn helps the workforce to improve their efficiencies and capabilities. To ensure we develop future leaders in the Company, we provide a number of cross divisional programs to foster management and leadership skills. The purpose is to equip our people with the necessary qualities to lead the organization through change, develop their teams, manage performance and ensure business success in line with the Company's strategy and our values and beliefs.

#### Employee Relations & Compliance

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. An Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment.

### DIRECTORS & KEY MANAGERIAL PERSONNEL

The appointment and remuneration of Directors are governed by the Policy devised by the Nomination and Remuneration Committee of the Company. The detailed Nomination and Remuneration Policy is contained in the Corporate Governance Section of the Annual Report.

The Company's management consist of the following Directors and Key Managerial Personnel:

Sr. No.	Name of the Director & KMP	Designation
1.	Mr.Sridhar Srinivasan	Chairman & Independent Director
2.	Mr.Prakash Kumar Saraogi	Managing Director
3.	Mr.Gautam Saraogi	Executive Director & Chief Executive Officer
4.	Mr.Rahul Saraogi	Non- Executive Director
5.	Mr.Ravi Shankar Ganapathy Agrapharam Venkataraman	Non-Executive Nominee Director
6.	Ms.Rohini Manian	Independent Director
7.	Mr.Dinesh Madanlal Gupta	Independent Director
8.	Mr.R.Mohan	Chief Financial Officer
9.	Ms.Gayathri Venkatesan	Company Secretary & Compliance Officer

The constitution of the Board of the Company is in accordance with Section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details relating to directors and key managerial personnel who were appointed or have resigned are reported as under:

- Mr. Sridhar Srinivasan (DIN: 00004272) was appointed as an Independent director of the Company for a term upto five consecutive years in the Board meeting held on July 22, 2021 who in the opinion of the Board possessed integrity, relevant expertise and experience.
- Mr. Dinesh Madanlal Gupta (DIN: 00126225) and Ms.Rohini Manian (DIN: 07284932) were appointed as an Independent Director in Board Meeting held on June 30, 2021 who in the opinion of the Board possessed integrity, relevant expertise and experience.
- Mr. Prakash Kumar Saraogi (DIN: 00496255) was appointed as Managing Director (Whole time Key Managerial Personnel) in the Board Meeting held on June 30, 2021 who in the opinion of the Board possessed integrity, relevant expertise and experience.
- Mr. Gautam Saraogi (DIN: 03209296) was appointed as Chief Executive Officer in the Board Meeting held on June 30, 2021 who in the opinion of the Board possessed integrity, relevant expertise and experience.

Further, in terms of the recently introduced regulatory requirements, name of every Independent Director should be added in the online database of Independent Directors by Indian Institute of Corporate Affairs ("IICA"). Accordingly, Independent Directors of the Company have registered themselves with the IICA for the said purpose.

The Company has received a declaration from each of its Independent Directors confirming that they satisfy the criteria of independence as prescribed under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.



## DIRECTORS RETIRING BY ROTATION

Mr. Prakash Kumar Saraogi, Managing Director, is liable to retire by rotation and being eligible for re-appointment at the ensuing Annual General Meeting ("AGM") of the Company, has offered himself for re-appointment. His details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing AGM of the Company. An appropriate resolution seeking the shareholders' approval to his re-appointment as Director is included in the Notice.

## DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## BOARD AND COMMITTEE MEETINGS

The Board of Directors met Eleven (11) times during the financial year 2021-2022. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report.

The Board of Directors of the Company have formed various Committees, as per the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as a part of the best corporate governance practices, the terms of reference and the constitution of these Committees is in compliance with the applicable laws. In order to ensure focused attention on business and for better governance and accountability, the Board has constituted the following Committees:

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders Relationship Committee;
- d) Corporate Social Responsibility Committee;
- e) Risk Management Committee;
- f) IPO Committee;

The details with respect to the composition, terms of reference, number of meetings held and business transacted by the aforesaid Committees are given in the "Corporate Governance Report" of the Company which is presented in a separate section and forms a part of the Annual Report of the Company.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual Performance Evaluation of the Board, its Committees and of individual directors in the format (questionnaire) prescribed

by the Nomination and Remuneration Committee of the Company. The structured questionnaire covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Directors (without participation of the relevant Director) was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

## FAMILIARISATION PROGRAMME

Pursuant to the SEBI Regulations, the Company has worked out a Familiarisation Programme for the Independent Directors, with a view to familiarise them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company etc. Through the Familiarisation Programme, the Company apprises the Independent directors about the business model, corporate strategy, business plans, finance human resources, technology, quality, facilities, risk management strategy, governance policies and operations of the Company. Details of Familiarisation Programme of Independent Directors with the Company are available on the website of the Company <https://www.gocolors.com/investor-relations>

## SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

The Company does not have any Subsidiaries, Associates and Joint ventures.

## RELATED-PARTY TRANSACTIONS

All related party transactions that were entered during the financial year were at arm's length basis and were in the ordinary course of business. There was no materially significant related party transaction made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

In accordance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company has a Policy on Related-Party Transactions which can be viewed at <https://www.gocolors.com/investor-relations>

There were no material transactions with related parties (i.e. transactions exceeding 10% of the annual consolidated turnover entered into during the year as per the last audited financial statements).

Accordingly, the disclosure of transactions entered into with related parties pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is not applicable.

Related party transactions pursuant to the SEBI (LODR) Regulations 2015 and the Companies Act 2013 are provided in notes to the Financial statements.

## PUBLIC DEPOSITS

No public deposits have been accepted by the Company during the year under review.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No Loans, Guarantees or investments made by the company during the financial Year March 31, 2022.

## ACCOUNTING TREATMENT

The Accounting Treatment is in line with the applicable Indian Accounting Standards (IND-AS) recommended by the Institute of Chartered Accountants of India (ICAI) and prescribed by the Central Government.

## AUDITORS

### (a) Statutory Auditors:

In accordance with the provisions of section 139 of the Companies Act 2013 and the rules made thereunder Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W), the Statutory Auditors of the company shall hold office from the conclusion of the 10<sup>th</sup> Annual General Meeting till the conclusion of the 14<sup>th</sup> Annual General Meeting of the company at a remuneration fixed by the Board of Directors of the Company in consultation with the Auditors.

### (b) Cost Auditors:

The Company is not required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013, and hence, no cost auditors have been appointed.

### (c) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, Mr. R.Sridharan, Company Secretary R.Sridharan & Associates, Practising Company Secretaries had been appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the FY 2021-22. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as Annexure III.

### (d) Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, ASA & Associates LLP, Chartered Accountants was appointed by the Board of Directors to conduct internal audit of the Company for the financial year 2021-2022.

## INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors, Secretarial Auditors, Internal Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12)

and Rule 13 of the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- The Annual Accounts have been prepared in conformity with the applicable Accounting Standards and there are no material departures;
- They have selected such Accounting Policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company at the end of Financial Year 2021-2022 and of the profit for that period;
- Proper and sufficient care has been taken and that adequate accounting records have been maintained in accordance with the provisions of the Act for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis;
- The internal financial controls laid down by the Company were adequate and operating effectively; and
- The systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

## RISK AND CONTROL

Through the Risk Management Committee, Board of Directors oversees the Company's Risk Management.

### Risk Management Policy

The Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Company has formed a Risk Management Committee which defines the risk management approach of the Company and includes collective identification of risks impacting the Company's business their process of identification, mitigation and optimisation of such risks. The Risk Management Policy is uploaded on the website of the Company and can be accessed through the following web link: <https://www.gocolors.com/investor-relations>.

### Internal Control Systems

The Company is committed to maintaining the highest standards of internal controls. We have deployed controls through appropriate policies, procedures and implemented a robust Internal Financial Control system that encompasses the following:

- Key processes affecting the reliability of the Company's financial reporting together with the required controls
- Periodic testing of controls to check their operational effectiveness
- Prompt implementation of remedial action plans arising out of tests conducted

- Regular follow-up of these action plans by senior management

In addition, the Internal Auditor performs periodic audits in accordance with the pre-approved plan. They report on the adequacy and effectiveness of the internal control systems and provide recommendations for improvements.

Audit findings along with management response are shared with the Audit Committee. Status of action plans are also presented to the Audit Committee which reviews the steps taken by the management to ensure that there are adequate controls in design and operation.

The Certificate provided by CEO & CFO in the Certification Section of the Annual Report discusses the adequacy of the internal control systems and procedures.

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

As required by the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given as below:

#### A. Energy conservation measures taken:

The Company continually takes steps to absorb and adopt the latest technologies and innovations in the Garment Industry. These initiatives should enable the facilities to become more efficient and productive as the company expands, thus helping to conserve energy. Our commitment to reduce energy consumption is achieved through installation of energy efficient fixtures, and power factor optimization initiatives among others. All machinery and equipment are being continuously serviced, updated and overhauled to maintain them in good and energy efficient condition. This has resulted in consumption of lesser energy. Conservation of Energy continues to receive increased emphasis at all units of the Company.

#### B. Technology Absorption:

There is no material action on technology absorption under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

#### C. Expenditure incurred on Research & Development: NIL

#### D. The foreign exchange earnings and outgo during the reporting period is as under:

FOREIGN EXCHANGE EARNINGS AND OUTGO (in Rupees lakhs)	
Foreign exchange inflows	NIL
Foreign exchange outflows	₹4349.67 Lakhs

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March 2022, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as Annexure I.

### PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Ms.V.Gayathri, Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at <https://www.gocolors.com/investor-relations>

### MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

There were no material changes during the year affecting financial position of the Company.

### MATERIAL ORDERS OF REGULATORS/COURTS/TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in the future.

### SHARE REGISTRAR & TRANSFER AGENT (R&T)

Kfin Technologies Limited (formerly Kfin Technologies Private Limited) is the Registrar and Share Transfer Agent of the company.

They were appointed as the Registrar and Share Transfer Agent of the company with effect from April 16, 2019.

### PARTICULARS OF EMPLOYEES

2 employees are in receipt of remuneration of not less than ₹ 1,02,00,000/- (Rupees One Crore and two Lakhs) who is employed throughout the year. No employee was employed for part of the year.

Disclosures concerning the remuneration of Directors, KMPs and employees as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Report as Annexure II.

However, as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report is being sent to the Members and others entitled thereto, excluding the information on

employees' remuneration particulars as required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosure is available for inspection by the Members at the Registered Office of your Company during business hours on all working days of the Company up to the date of the ensuing AGM. Any Member interested in obtaining a copy thereof, may write an email to [companysecretary@gocolors.com](mailto:companysecretary@gocolors.com).

The Directors affirm that the remuneration is as per the remuneration policy of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations Disclosures Requirements), Regulations, 2015 is presented in a separate section forming part of the Annual Report of the Company.

### CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate by the Secretarial Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in a separate section and forms part of the Annual Report of the Company.

### BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report.

### STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

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

On behalf of the Board of Directors  
**For Go Fashion (India) Limited**  
 (formerly known as Go Fashion (India) Pvt. Ltd)

**Mr. Prakash Kumar Saraogi**  
 Director  
 DIN: 00496255

Place: Chennai  
 Date: August 10, 2022

During the year under review, the Company has not received any complaints on sexual harassment.

### VIGIL MECHANISM

The Company has formulated a Vigil Mechanism and Whistle Blower Policy intending to provide a mechanism for employees to report violations. It also assures them of the process that will be observed to address the reported violation. The Policy also lays down the procedures to be followed for tracking complaints, giving feedback, conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants.

Any incident that is reported is investigated and suitable action is taken in line with the Policy.

The Whistle Blower Policy of the Company is posted on the website of the Company and can be accessed at the web link: <https://www.gocolors.com/investor-relations>

The Company had not received any complaint under the Whistle Blower Policy during the year under review.

### ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company <https://www.gocolors.com/investor-relations>

### SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### ACKNOWLEDGEMENTS

The Directors wish to convey their gratitude and appreciation to all the employees of the Company posted at all its locations for their tremendous personal efforts as well as collective dedication and contribution to the Company's performance.

The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all other business associates, consultants and stakeholders for their continued support extended to the Company and the Management.

On behalf of the Board of Directors  
**For Go Fashion (India) Limited**  
 (formerly known as Go Fashion (India) Pvt. Ltd)

**Mr. Gautam Saraogi**  
 Director  
 DIN: 03209296



## Annexure I

# Annual Report on CSR

[Pursuant to Section 134(3)(o) of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

Corporate Social Responsibility (CSR) at our company goes beyond business and extends to the implementation of socially relevant activities for the benefits of society at large. This policy is in keeping with the requirements of the Companies Act 2013 and Allied Rules.

#### Vision and Policy Statement:

Corporate Social Responsibility (CSR) is the Company's contribution to social and economic development of the local community in which we operate and to society at large. We commit to spend a minimum of 2% of the average net profits for the preceding three financial years on CSR activities. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities.

The CSR Committee will annually recommend the CSR program and projects to the Board for its approval. The activities undertaken in the normal course of business will not be a part of CSR activities.

#### Focus areas

- Promoting healthcare including preventive healthcare
- Eradicating hunger, poverty and sanitation programs
- Educational Support

### 2. Composition of CSR Committee

S. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr.Gautam Saraogi	Chairman / Executive Director	2	2
2.	Mr.Prakash Kumar Saraogi	Member / Executive Director	2	2
3.	Mr.Rahul Saraogi	Member / Non-Executive Director	2	2
4.	Dinesh Madanlal Gupta*	Member / Independent Director	2	1

Dinesh Madanlal Gupta\* was appointed as a Member to the Committee on 09<sup>th</sup> August 2021

### 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://gocolors.com/pages/investor-relations>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2021-22	-	-

### 6. Average net profit of the company as per section 135(5)

The Average Net profit for the period ended 31<sup>st</sup> March 2022 – Applicable for the FY 2021-22 is ₹ 3842.39 lakhs.

### 7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 76.85 lakhs

### (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

NIL

### (c) Amount required to be set off for the financial year, if any

NIL

### (d) Total CSR obligation for the financial year (7a+7b-7c).

₹ 76.85 lakhs

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ In lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
76.85	NIL	NIL	NIL	NIL	NIL

### (b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (in ₹)
				State	District	

(1)	(8)	(9)	(10)	(11)	
S. No	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				Name	CSR Registration number

### (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District		Name	CSR registration number
1.	Voluntary Health Services	Health Care	Yes	Tamilnadu/ Chennai	2,29,000	Yes	-	CSR00003444
2.	Global Vipassana Foundation	Promoting Education	Yes	Tamil Nadu / Chennai	72,56,000	Yes	-	CSR00019667
3.	The United Educational And Social Welfare Trust	Health Care	Yes	Tamil Nadu / Coimbatore	1,00,000	Yes	-	CSR00000029
4.	Rotary Club of Madras Charitable Trust	Women Empowerment	Yes	Tamil Nadu / Chennai	1,00,000	No	Rotary Club of Madras Charitable Trust	CSR00000997

### (d) Amount spent in Administrative Overheads: NIL

### (e) Amount spent on Impact Assessment, if applicable: Not Applicable

### (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹76.85 lakhs

**(g) Excess amount for set off, if any**

Sl. No.	Particulars	Amount (₹ In lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	76.85
(ii)	Total amount spent for the Financial Year	76.85
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(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)]	NIL

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in lakhs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2018-19	NIL	4.97	NIL	NIL	NIL	NIL
2.	2019-20	NIL	57.12	NIL	NIL	NIL	NIL
3.	2020-21	NIL	99.82	NIL	NIL	NIL	NIL
	<b>Total</b>		<b>161.91</b>				

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project – Completed / Ongoing
1	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Total</b>							

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :** NIL

**11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):** NA

**Mr.Prakash Kumar Saraogi**  
Member, CSR Committee  
DIN:00496255

**Mr.Gautam Saraogi**  
Chairman CSR Committee  
DIN:03209296

**Mr.Rahul Saraogi**  
Member, CSR Committee  
DIN:00496259

**Mr.Dinesh Madanlal Gupta**  
Member, CSR Committee  
DIN: 00126225

Place: Chennai

Date: August 10, 2022

**Annexure II**

**Ratio of Remuneration**

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2021-22:**

The median remuneration of employees of the Company during FY 2021-22 was ₹14700 per month and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

Sr. No.	Name of Director	Designation	Remuneration of Director for F.Y. 2021-22	Ratio of Remuneration of each Director to Median Remuneration of employees for F.Y. 2021-22
1	Prakash Kumar Saraogi	Managing Director	1,20,70,767	75:1
2	Gautam Saraogi	Executive Director & CEO	76,18,305	51:1
3	Sridhar Srinivasan	Chairman & Independent Director	12,00,000	7:1
4	Dinesh Madanlal Gupta	Independent Director	600,000	3:1
5	Rohini Manian	Independent Director	600,000	3:1
6	Rahul Saraogi	Non-Executive Non-Independent Director	NA	NA
7	Ravi Shankar Venkataraman Ganapathy Agraharam	Non-Executive Non-Independent Nominee Director	NA	NA

**b. The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the financial year 2021-22**

**i. The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in FY 2021-22 is provided in the table below:**

Sr. No.	Name of Director / KMP	Designation	% increase in Remuneration in FY 2021-22
1	Prakash Kumar Saraogi	MD	39%
2	Gautam Saraogi	ED & CEO	119%
3	Sridhar Srinivasan	Chairman & Independent Director	NA
4	Dinesh Madanlal Gupta	Independent Director	NA
5	Rohini Manian	Independent Director	NA
6	Rahul Saraogi	Non-Executive Non-Independent Director	NA
7	Ravi Shankar Venkataraman Ganapathy Agraharam	Non-Executive Non-Independent Nominee Director	NA
8	R Mohan	CFO	0%
9	V Gayathri	CS	13%

**ii. The percentage increase in the median remuneration of employees in the financial year:**

In the financial year, there was an increase of 5 % in the median remuneration of employees.

**c. The number of permanent employees on the rolls of the Company:**

There were 3,164 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2022.

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

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. FY 2021-22 was 15% whereas the increase in managerial remuneration for the financial year 2021-22 was 29%.

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

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company



## Annexure III

## Secretarial Audit Report For the Financial Year Ended 31st March, 2022

[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 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members,  
**GO FASHION (INDIA) LIMITED**  
CIN: L17291TN2010PLC077303  
Sathak Center, 5<sup>th</sup> Floor,  
New No.4, Old No.144/2, Nungambakkam High Road,  
Chennai – 600034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GO FASHION (INDIA) LIMITED [Formerly known as GO FASHION (INDIA) PRIVATE LIMITED] [Corporate Identification Number: L17291TN2010PLC077303]** (hereinafter referred to as “the Company”) for the financial year ended 31<sup>st</sup> March, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 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; [Applicable to the Company w.e.f. 30<sup>th</sup> November, 2021, being listing date]
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to

the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowings during the year under review;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :- These Regulations were applicable to the Company w.e.f 30<sup>th</sup> November, 2021 i.e. the date of listing of the Equity Shares with BSE Limited and National Stock Exchange of India Limited.
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable during the period under review);
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the period under review);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review);
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the period under review); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the period under review);

(vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company:

- a) National Textile Policy, 2000;
- b) Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (revised effective from October 1, 2017) and Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Hereinafter referred to as “Listing Regulations”). [w.e.f 30<sup>th</sup> November, 2021 i.e. the date of listing of the Equity Shares with BSE Limited and 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. as mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Nominee Director, Woman Independent Director and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notices of Meetings and Notes on Agenda which are circulated less than the specified

period the necessary compliances under the Companies Act, 2013 and secretarial standard on Meeting of the Board of Directors are complied with. Board Meetings that were held through video conferencing or other audio visual means, the directors who were participated through video conferencing during the period under review the necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 have been complied with. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities, as applicable, in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, majority decisions were carried out unanimously as recorded in the minutes of the General Meetings.

**We further report that** based on the review of compliance mechanism established by the Company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**We further report that** the abovementioned Company being a Listed entity, this report is also issued pursuant to Regulation 24A of the Listing Regulations and circular No.CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India.

**We further report that** as per the information and explanation provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India pursuant to Regulation 16 (c) and 24A of the Listing Regulations during the period under review.

**We further report that** during the audit period, the following specific events had major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards:

1. The Company had obtained the approval of the Shareholders at the Annual General Meeting held on 01<sup>st</sup> July, 2021 for Conversion of the Company from Private Limited Company into Public Limited Company and Alteration of Memorandum and Articles of Association of the Company pursuant to the conversion. The fresh certificate of incorporation consequent upon the conversion was issued by the Registrar of Companies, Chennai on 12<sup>th</sup> July, 2021;
2. The Company had made an application for compounding before the Hon'ble Regional Director, Ministry of Corporate Affairs, Southern Region for contravention of Section 173(1) of the Companies Act, 2013 relating to a delay in convening of Board

## 'Annexure -A'

- Meeting thereby contravening the maximum time gap prescribed between two Board Meetings and the same was compounded by the Hon'ble Regional Director on 12<sup>th</sup> October, 2021 and the compounding fee was paid;
3. The Company had obtained the approval of the Shareholders at the Extraordinary General Meeting held on 09<sup>th</sup> August, 2021 for the following:
    - a. Increase in Authorized Share Capital of the Company and consequent amendment to the Memorandum of Association;
    - b. Raising of capital through Initial Public Offering;
    - c. Adoption of new set of Articles of Association of the Company consequent to application for listing;
    - d. Increase in investment limits for Non-Resident Indian or Overseas Citizen of India to 24% of the paid-up equity share capital of the Company;
    - e. Increase in borrowing limits not exceeding ₹ 3,000,000,000/- (Rupees Three Hundred Crores Only) under Section 180(1)(c) of the Companies Act, 2013.
  4. The Company had on 29<sup>th</sup> October, 2021 converted:
    - a. 24,99,615 - Series A compulsorily convertible cumulative preference shares of ₹ 100/- each into 1,49,97,690 fully paid equity shares of ₹ 10/- each;
    - b. 23,99,860 - Series B compulsorily convertible cumulative preference shares of ₹ 100/- each into 71,99,580 fully paid equity shares of ₹ 10/- each.
  5. The Company has made an Initial Public Offering (IPO) of 14,689,983 equity shares of Face Value of ₹ 10/- each at a price of ₹ 690/- per equity share including a securities premium of ₹ 680/- per equity share aggregating to ₹10,136.09 Mn comprising of a fresh issue of 18,11,594 equity shares of the Company aggregating to ₹1250 Mn and an offer for sale of 14,91,352 Equity Shares aggregating to ₹ 1029.04 Mn by the promoter selling shareholders and 1,13,87,037 Equity Shares aggregating to ₹ 7857.05 Mn by the Investor Selling Shareholders vide prospectus dated 23<sup>rd</sup> November, 2021 and the above said Equity Shares of the Company were listed with BSE Limited and National Stock Exchange of India Limited on 30<sup>th</sup> November, 2021.

**For R.SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS R.SRIDHARAN**

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000767152

PLACE : CHENNAI

DATE: August 10, 2022

*This report is to be read with our letter of even date which is annexed as ANNEXURE -A and forms an integral part of this report.*

The Members,

**GO FASHION (INDIA) LIMITED**

CIN: L17291TN2010PLC077303

Sathak Center, 5<sup>th</sup> Floor,

New No.4, Old No.144/2, Nungambakkam High Road,

Chennai – 600034

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our 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 : CHENNAI

DATE : August 10, 2022

**For R.SRIDHARAN & ASSOCIATES**

COMPANY SECRETARIES

**CS R.SRIDHARAN**

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000767152



# Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## Section A - GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	L17291TN2010PLC077303
2.	Name of the Company	Go Fashion (India) Limited
3.	Registered Office and Corporate Office	Sathak Center, No.4, 5 <sup>th</sup> Floor, Nungambakkam High Road, Chennai-600034
4.	Website	www.gocolors.com
5.	E-mail Id	companysecretary@gocolors.com
6.	Financial Year reported	2021-22
7.	Sections that the Company is engaged in (Industrial Activity code-wise)	47190: Retail sale of wearing apparels
8.	List three key products/services that the Company manufactures/ provides (as in Balance Sheet)	Women's Bottom wear
9.	Locations where business activity is undertaken by the Company	
	a) Number of international locations (provide details of major 5)	NIL
	b) Number of national locations	The Company operates PAN India at 30 locations (26 states and 4 union territories).
10.	Markets served by the Company - Local/State/ National/ International	National

## Section B - FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (As on March 31, 2022)	54,00,89,840
2.	Total Turnover	₹401.31 crores
3.	Total Profit after Taxes	₹35.60 crores
4.	Total Spending on Corporate Social Responsibility (CSR)	₹76.85 lakhs
5.	As percentage of Profit after taxes	2.16%
6.	List of activities in which Corporate Social Responsibility (CSR) expenditures have been incurred.	Education, Health & Hygiene and Women Empowerment

## Section C - OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?  
No
- Do the Subsidiary Company/Companies participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)?  
NA
- Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
NO

## Section D - BUSINESS RESPONSIBILITY INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a. Details of Director/Directors responsible for the implementation of the BR policy/policies

S. No	Particulars	Details
1.	DIN	03209296
2.	Name	Gautam Saraogi
3.	Designation	Executive Director & Chief Executive Officer

#### b. Details of the BR Head

S. No	Particulars	Details
1.	DIN (If Applicable)	03209296
2.	Name	Gautam Saraogi
3.	Designation	Executive Director & Chief Executive Officer
4.	Telephone Number	044-42111777
5.	E-mail ID	investor.relations@gocolors.com

### 2. Principle-wise (as per National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business {NVGs}) BR policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Yes.								
2.	Has the policy being formulated in consultation with the relevant Stakeholders? (Refer Note 1)	The policies are framed taking into consideration the interest of the stakeholders. Our policies adhere to the guidelines/ Rules issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India & other Regulators. The policies are shared with the stakeholders if the same is mandated.								
3.	Does the policy conform to any national/ international standards? If yes, specify?	The policies conform to the regulatory requirements where such Regulations exist. No specific national or international standards are applicable for the policies framed.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board of Directors?	The policies wherever mandated to be approved by the Board are duly complied with.								

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Does the Company have a specified Committee of the Board/Director/ Official to oversee the implementation of the policy?	The Board, its committees and the senior management team reviews the implementation of policies on a regular basis.								
6.	Indicate the link for the policy to be viewed online?	www.gocolors.com/investor-relations								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policy is available in the website of the Company and is expected to be adhered by all the stakeholders.								
8.	Does the Company have in-house structure to implement the policy/policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Company has a whistle blower mechanism which can be used by the stakeholders for highlighting their grievances. The Company also has specific mail ids for receiving the complaints from the shareholders and customers.								
10.	Has the Company carried out an independent audit/ evaluation of the working of this policy by an internal or external agency?	Specific independent audit on working of these policies has not yet been carried out.								

**3. Governance related to Business Responsibility**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company.

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

From FY 2021-22, the Company will publish a BR Report forming part of the Annual Report and will be published annually. The Annual Report is uploaded on the website of the Company, which can be viewed at [www.gocolors.com/investor-relations](http://www.gocolors.com/investor-relations).

or violation of the Company's code of conduct. In compliance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, Company has enabled its employees to report instances of leak of unpublished price sensitive information.

The Company has also in place Anti-Sexual Harassment Policy to maintain a work environment free from any form of conduct which can be considered as harassing, coercive or disruptive.

(ii) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company is in the business of retail of women's bottom, majorly dealing with individuals as our customers in the D2C category. The Company receives complaints from stakeholders which is addressed by it on a regular basis.

During the FY 2021-22, there were 1369 complaints from customers which were satisfactorily resolved.

174 complaints have been received from other stakeholders comprising of career queries, product pitch and marketing placements of which all complaints have been resolved as on March 31, 2022.

The Company has appointed Kfin Technologies Limited (Formerly Kfin Technologies Private Limited) as its Registrar and Transfer Agent. During the year 2021-22 total of 267 complaints were received by the Registrar which have been resolved fully and most of them pertain to IPO refunds and unblocking of funds. The details of such complaints are also filed with the regulator as part of periodical filing.

**Section E – PRINCIPLE-WISE PERFORMANCE**

**Principle 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

(i) Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs

Yes. The policy is expected to be adhered by the other stakeholders.

The Company has defined the Code of Conduct for its Directors and employees that cover issues related to ethics, workplace responsibilities and conflict of interest.

Further, the Company has adopted a Whistle Blower Policy to provide a mechanism for employees and Directors of the Company to approach the Chairman of the Audit Committee of the Company for reporting unethical behaviour, actual or suspected, fraud

**Principle 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

The Company is into retail of bottom-wear for women and the products of the company are safe and contribute to sustainability throughout their life cycle.

List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

We are in retail category of women's bottom-wear products which are not connected with any social or environmental concerns.

For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not applicable

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable

(iii) Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The Company strives to integrate social, ethical and environmental factors across the entire supply chain. Majority of the inputs are sourced locally. We are supplying from single warehouse logistics which avoid multiple movement of goods.

(iv) Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company is processing and procuring most of the goods locally from small producers. The Company works closely with local suppliers to ensure product quality and service levels.

(v) Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The waste generated out of the process is reusable and hence sold in the market. The waste generation is less than 1%.

**Principle 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

The Company ensures its development & growth by investing in the satisfaction and well-being of its employees. The Company takes seriously its responsibility to provide a safe working environment

The Company also tailors its safety programs to minimize hazards at workplace.

(i) Please indicate the Total number of employees: 3,164

(ii) Please indicate the Total number of employees hired on temporary/contractual/casual basis: 0

(iii) Please indicate the Number of permanent women employees: 1,640 employees are permanent women employees

(iv) Please indicate the Number of permanent employees with disabilities: NIL

(v) Do you have an employee association that is recognized by management: No

(vi) What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

(vii) Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last FY and pending, as on the end of the FY.

As a policy, company does not employ child labour and forced labour and there were no complaints during the year/outstanding at the end of the financial year in respect of Child labour/ forced labour/ involuntary labour, Sexual harassment and Discriminatory employment.

(viii) What percentage of your undermentioned employees were given safety & skill up-gradation training in the last year?

Training is provided for 100% employees based on the nature of their activities and it is a continuous activity.

**Principle 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED**

The Company aims to meet the expectations of its stakeholders that include shareholders, consumers, employees, suppliers and various service providers. The Company understands the needs of its stakeholders and develops action plans to fulfill them while achieving its business goals.

The Company also has in place investor grievance redressal system, consumer complaint redressal system and various other committees to protect the interest of all the



stakeholders. It discloses all the relevant information about its products, business, financial performance and other statutory information on the website of the Company to ensure effective stakeholders engagement.

**(i) Has the Company mapped its internal and external stakeholders?**

Yes. The Company has mapped its internal and external stakeholders.

**(ii) Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

The Company is dedicated for the welfare of marginalized and vulnerable sections of the society. The Company engages with its stakeholders on an ongoing basis. The Company has also identified specific areas like empowering underprivileged/vulnerable stakeholders, which help them to improve their standard of living.

**(iii) Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company thinks beyond business and undertakes various initiatives to improve the lives of the lower socio-economic sections of the society through its CSR activities.

**Principle 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.**

The Company appreciates and believes that human rights are inherent, universal, indivisible and interdependent in nature. The principles of non-discrimination, zero tolerance to sexual harassment and human rights have been laid down in the Company's Code of Conduct, Whistle

Blower Policy, Anti - Sexual Harassment Policy, Labour and Employee Welfare Policies.

**(i) Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

Code of Business Conduct extends not only to employees of the Company but also others who work with, or represent the Company directly or indirectly. The Company's Anti-Sexual Harassment Policy is applicable to all the employees including contractual and also covers trainees, consultants, contractors and vendors.

**(ii) How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the financial year 2021-22, the Company did not receive any complaint with regard to violation of human rights.

**Principle 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

The Company understands its responsibility towards environment and has taken various initiatives to reduce its environmental impact. Energy conservation continues to be a priority area of the Company.

**(i) Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.**

Yes, the Company's policy is extended to the Suppliers and Contractors. The Company ensures that it is implemented at all these levels and the Suppliers/ Contractors dealing with the Company are also encouraged to maintain ethical standards in all their practice. During FY 2021-22, the Company has taken various initiatives for Conservation of Energy as given in the Directors' Report.

**(ii) Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for the Company. The Company is continuously implementing process improvements to reduce emissions and wastages.

In line with the Company's commitment towards conservation of energy, all its units continue with their efforts to reduce wastage, optimise consumption and also to improve energy efficiency through innovative measures.

**(iii) Does the Company identify and assess potential environmental risks?**

Sustainable development is at the core of the Company's operations which is also outlined in the Environment, Health and Safety Practices. The Company follows sound environmental management practices to assess and address potential environmental risks.

We understand that environmental risks may affect business operations and also pose potential threat. The Company has its own ways to identify and assess the potential environmental risks at the design stage itself.

**(iv) Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company is not a manufacturing organisation and does not generate waste or products or by products generally associated with manufacturing.

**(v) Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The office and outlets of the company are well optimised for conservation of energy. All equipment including Lights and Air conditioners are ensured for energy efficiency and minimal wastage.

**(vi) Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the FY being reported?**

Not applicable

**(vii) Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of FY.**

Nil

**Principle 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

**(i) Is your Company a member of any trade and chamber or association?**

The Company is a member of the Apparel Export Promotion Council and Federation of Indian Export Organisations and recognizes the importance of engaging with the public and regulatory bodies in a responsible manner.

**(ii) Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No**

The Company prefers to be part of the broader policy development process and do not practice lobbying on any specific issue.

**Principle 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

In addition to the Core Business, the Company also actively engages in CSR activities for the overall development of the society. The Company acknowledges the impact of its activities on social and economic development and strives to create positive environment.

In the FY 2021-22, your Company has spent ₹ 76.85 lakhs towards CSR expenditure, the details of which are given in the CSR report which forms an integral part of this Annual Report.

**(i) Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The CSR Policy and activities of the company is focussed on ensuring inclusive growth and equitable development.

**(ii) Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?**

The activities are carried out predominantly through Other organisations specialised in their respective area of activity. The CSR Committee of the Board of Directors undertakes CSR projects, through recognised foundations.

**(iii) Have you done any impact assessment of your initiative?**

No impact assessment has been undertaken by the company during the financial year 2021-22.

**(iv) What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?**

The amount contributed for the community development projects is ₹76.85 lakhs. Details of the project undertaken has been provided as part of the Board's report forming part of this Annual Report.

**(v) Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. The Company has a dedicated team of employees to drive and monitor the CSR activities. As a Responsible Citizen, the Company strongly believes that community development is its responsibility, and it strives to ensure that the CSR initiatives undertaken addresses the same.

**Principle 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

The Company's commitment to provide high quality products to consumers have made it one of the most trusted brand among consumers.

The Company has been providing great value to its customers. To keep the customers satisfaction levels high, the Company not only maintains high quality standards but also has efficient customer redressal system.

**(i) What percentage of Customer Complaints/consumer cases are pending as on the end of financial year?**

A well-established mechanism is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same. There are no cases pending as on the end of the financial year

**(ii) Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A.**

The Company displays all product information required or mandated as per the local laws.

**(iii) Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti - competitive behaviour during the last five years and pending as on end of financial year.**

No cases have been filed by any stakeholder during the last five years. As on 31<sup>st</sup> March, 2022, there are no cases pending under Competition Act, 2002.

**(iv) Did your Company carry out any consumer survey/ consumer satisfaction trends?**

As a process, Company stores collect customer feedback on regular basis. Reports of the same are shared with the stakeholders for necessary action to improve the products/ services.

# Management Discussion and Analysis

## Global economic overview

The global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

## Indian economic overview

The Indian economy reported an attractive recovery in FY 2021-22, its GDP rebounding from a de-growth of 7.3 % in FY 2020-21 to a growth of 8.7 % in FY 2021-22. By the close of FY 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 Bn the second most populous in the world and its rural under-consumed population arguably the largest in the world.

### Y-o-Y growth of the Indian economy

	FY 19	FY 20	FY 21	FY 22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

### Growth of the Indian economy, FY 2021-22

	Q1, FY 22	Q2, FY 22	Q3, FY 22	Q4, FY 22
Real GDP growth (%)	20.1	8.4	5.4	4.1

India's monsoon was abundant in 2021 as the country received 99.32% of a normal monsoon, lower though than in the previous year. Based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY 2021-22 is anticipated to be 3-3.5%. The country's manufacturing sector grew an estimated 12.5%, the agriculture sector 3.9%, mining and quarrying by 14.3%, construction by 10.7% and electricity, gas and water supply by 8.5% in FY 2021-22.

Foreign direct investments (FDI) in India increased 1.95% to US\$83.57 Bn in FY 2021-22 from US\$81.72 Bn in FY 2020-21, a validation of global investing confidence in India's growth story. The government approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in Union Budget FY 2021-22.

India surpassed the ₹88,000 Crore target set for asset monetisation in FY 2021-22, raising over ₹97,000 Crore with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four-year ₹6 Lakh Crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received US\$ 87 Bn during 2021, with the US being the largest source (20%). India's currency weakened 3.59% from ₹73.28 to ₹75.91 to a US dollar through FY 2021-22. The consumer price index (CPI) of India stood at an estimated 5.3% in FY 2021-22. The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 Lakh Crore, which is 15% higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The country received positive FPIs worth ₹51,000 Crore in 2021 as the country ranked fifth among the world's top leading stock markets with a market capitalisation of \$3.21 Trn in March 2022.

India's per capita income was estimated to have increased 16.28% from ₹1.29 Lakh in FY 2020-21 to ₹1.50 Lakh in FY 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹27.07 Lakh Crore in FY 2021-22 compared with a budget estimate of ₹22.17 Lakh Crore. While direct taxes increased 49%,



indirect tax collections increased 30%. The tax-to-GDP ratio jumped from 10.3% in FY 2020-21 to 11.7% in FY 2021-22, the highest since 1999.

Retail inflation in March at 6.95% was above the RBI's tolerance level of 6% but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

The Budget 2022-23 sought to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasizing the role of PM GatiShakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments.

*(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)*

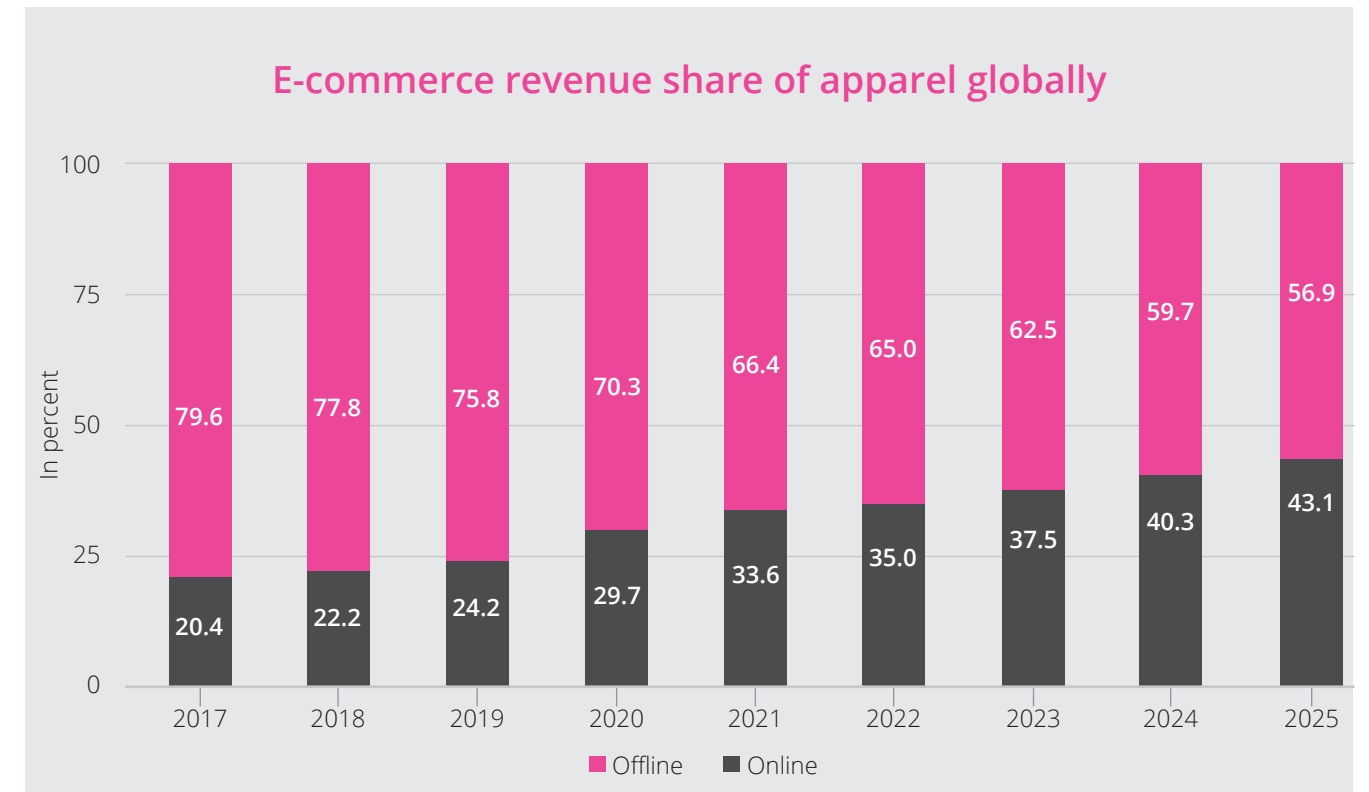
**Outlook**

The Indian economy is projected to grow by more than 7% in FY 2022-23, buoyed by tailwinds of consistent agricultural

performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity, even as an increase in inflation and interest rates could affect economic growth.

**Global textile and apparel industry overview**

The global textile and apparel market was estimated at US\$ 1.71 Trn in 2022 and contributed ~2% of the world's GDP. The growth was catalysed by a relaxation in Covid restrictions, resumption of global supply chains, increased positive consumer sentiment, rising apparel demand from the fashion market along with a growth in e-commerce platforms. Out of this, women apparel was estimated at US\$ 0.80 Trn, men's apparel at US\$ 0.51 Trn and children's apparel at US\$ 0.24 Trn. The market was expected to reach US\$ 1.95 Trn by 2026, growing at a CAGR of 4.4% from 2021 to 2026. The global women apparel market was pegged at US\$ 915 Bn in 2021 and expected to reach US\$ 1,165 Bn by 2027, growing at a CAGR of 3.84% during 2022-27. The rising influence of e-commerce platforms was a key factor driving the global women's apparel market. *(Source: indiantextilemagazine.in, grandviewresearch.com, globalnewswire mordorintelligence.com, Statista, Business wire)*



*(Source: Statista)*

**Revenue by segment (worldwide)**



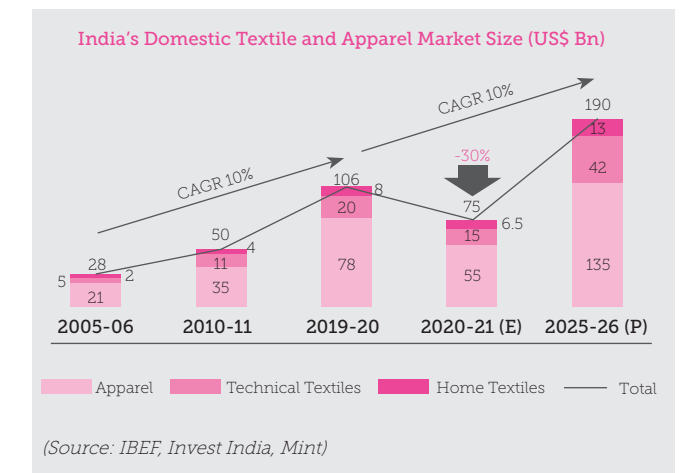
**Indian textile and apparel industry overview**

India's domestic textile and apparel market was estimated at US\$ 44 Bn in FY 2021-22 and expected to reach US\$ 209 Bn by 2029, riding a growing population, rising per capita consumption, demographic advantage, urbanisation, growing environmental concerns and consumer traction.

The domestic textile and apparel industry contributed 2.3% to the country's GDP, 7% of industry output in value terms and 12% of the country's export earnings. The domestic textiles and apparel export was estimated at US\$ 82 Bn in 2021. Exports of cotton and man-made yarn/fabrics/made-ups, readymade garments, jute products including floor covering, and carpets from India, showed positive growth in FY 2021-22. It is expected to grow to US\$ 100 Bn in 5 years, growing at a CAGR of 11%.

The post-Covid era provided a big opportunity for the online textile and apparel industry. Sales in the online textile industry witnessed a jump in various cities and States of

India due to a lockdown imposed to curb the spread of the virus. Technology could play a role in reviving, rejuvenating, and reinvigorating the Indian textile industry.



### Indian retail apparel market

India's retail market was estimated at US\$ 748 Bn in 2021 and is expected to reach US\$ 1.07 Trn by 2025. The country is the fourth largest retail market in the world and contributes ~10% to India's GDP and accounts for 8% of its workforce. In 2021, the FMCG, apparel & footwear, and consumer electronic segments were the largest retail segments, accounting for 65%, 10% and 9% respectively of the country's retail universe.

#### Share of various categories in overall Indian retail basket (in US\$ Bn)

Type of Categories	Categories	2021 (P)	2025 (P)
	<b>Total retail (US\$ bn)</b>	<b>748</b>	<b>1077</b>
Need-based	Food and grocery	73.2%	63.3%
	Apparel and accessories*	5.7%	9.0%
Primary Non-food	Jewellery and watches	6.0%	8.7%
	Consumer electronics	5.7%	7.1%
	Home and living	3.0%	4.4%
	Pharmacy and wellness	3.2%	3.3%
Other non-food	Footwear	0.8%	1.3%
	Others	2.2%	3.1%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

(Source: Technopak analysis)

India is the third largest apparel market after China and USA. The size of the Indian retail apparel market was estimated at US\$ 88.48 Bn by the end of 2022 with the possibility of growing to US\$ 106.93 Bn by 2026; this could help the country emerge as the third largest global apparel retail market. With India's vaccination drive widening coupled with the re-opening of schools, colleges and offices, the apparel market could report increased demand. By 2025, approximately 20% of all apparel could be marketed online, widening the size of the market to US\$ 16 Bn.

The size of India's women bottom-wear market is projected at US\$ 3.24 Bn by 2025. This segment is arguably the fastest growing women's wear segment. Women's bottom-wear products comprise the ethnic, fusion and western categories. The scope of bottom-wear in India has extended beyond the erstwhile classification of pure ethnic or western wear. In today's increasingly sophisticated world, apparel is modular, marked by a concept of mix and match of upper and bottom-wear, demolishing old design templates. There is an increasing preference among women for contrasting tops and bottom-wear as opposed to the conventional preference for buying full suit sets. This preference has not just increased preference for 'separate' clothing; it has put a premium on the design of products belonging to standalone segments. Besides, following a growing work-from-home trend, the conventional preference for suits and dresses is yielding to loungewear as a daily necessity.

(Source: Invest India, Apparel Resources)

### Growth drivers

**Increasing population:** India's population has grown from 555.2 Mn in 1970 to 1.39 Bn in 2021, a 146% increase. Further, it is expected to reach 1.5 Bn by 2030.

**Increasing disposable incomes:** At current prices, India's per capita income rose 18.3% to ₹1.5 Lakh in FY 2021-22 from ₹1.27 Lakh in FY21. Rising spending power of consumers are strengthening the apparel demand.

**Raw material abundance:** India is the largest producer of jute and cotton, and the second largest producer of silk. With high abundance of raw materials coupled with cheap labour costs, the cost of manufacturing textile and apparel is significantly lower than many competing countries.

**Youth Populace:** India has the largest youth population in the world with 65% of its population below 35 years of age and 50% of its population below 25 years of age. This age group represents one of the biggest consumer groups of textiles and apparel and is expected to drive the spending over the next five years.

**Digital penetration:** With increasing penetration of the internet, online retailing has witnessed strong growth in the country. Consumers are now looking for ease of shopping, multiple options, better offers and easy return policies. This has enabled the textile industry to reach consumers residing across every corner of the nation.

**Preferential shift:** With change in buying habits, consumers are now shifting from need-based clothing to aspiration-based and comfortable clothing. Buying clothes has become more than a basic need; it is now a reflection of aspiration, personality and a status symbol. Though basic textiles continue to represent a part of the consumer's basket, the demand for aspirational and comfortable clothing has increased significantly in recent years.

**Labour cost:** In terms operational costs like costs incurred for labour, water and power, India is much more competitive compared to countries such as USA, Turkey, China, Egypt, Korea and Brazil.

**COVID-19 impact:** The pandemic turned out an opportunity as the textile industry turned active with the production of medical and technical textiles. Development of new products like anti-viral fabrics, PPE kits, masks and other goods catered to the growing demand for hygiene products and strengthened the textile and apparel industry.

**Foreign Direct Investment:** The competitive cost advantage of India is expected to attract substantial FDI into the Indian textile industry. The Indian government introduced a number of export promotion policies for the sector and also permitted 100% FDI in the Indian textiles sector under the automatic route. (Source: InvestIndia, Imarc group, downtoearth.org)

### SWOT analysis

#### Strengths

- Availability of abundant raw material helps control production costs and reduce lead time
- Active sectoral support by the government
- Increased digitalization driving e-commerce growth
- Availability of low cost and skilled manpower, which, in turn, reduces the cost of production
- Cultural diversity and rich heritage of the country provide inspiration to designers to create attractive designs
- Growing population
- Increased urbanization and high disposable incomes

#### Weaknesses

- Rising competition from e-commerce
- Competitive imports
- Unfavourable labour laws
- Increasing dependence on cotton
- Technological obsolescence

#### Opportunities

- Growing economy and domestic market
- Increasing requirements for value-added products
- Higher investments and FDI opportunities
- 'Make in India' initiatives by the Government of India
- Continuous innovation in supply chain management and technology advancements
- Evolving retail sector and malls offer headroom for growth

#### Threats

- Emergence of international brands
- Outbreak of the pandemic like COVID-19, affecting manufacturing, supply chain and sales
- International labour and Environmental Laws
- Inventory pile-up due to COVID-19
- Geographical disadvantages

#### Government initiatives

- The government launched the production-linked incentive (PLI) scheme for the textile industry with an approved outlay of ₹10,683 Crore for five years to promote the production of man-made fibre (MMF), MMF apparel and technical textiles products.
- The Government of India announced the creation of 100 textile machinery 'champions' in the country and promote them on the global market.
- The government approved the setting up of seven Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks in greenfield/brownfield sites with an outlay of ₹4,445 Crore for seven years up to 2027-28.
- The Government of India undertook Amended Technology Upgradation Fund Scheme (A-TUFS), projected to generate employment for 35 Lakh people and infuse investment worth ₹95,000 Crore (US\$ 14.17 Bn) by 2022.
- The government aimed to establish integrated textile parks and technology upgradation funds scheme to boost private investment in the Indian textile and apparel industry.
- The government proposed a National Technical Textiles Mission for a four-year implementation period from FY 2020-24 at an estimated outlay of ₹1,480 Crore (US\$ 211.76 Mn).

(Source: IBEF, Invest India, fibre2fashion.com)

### Budgetary provisions, 2022-23

The budgetary allocation (FY2022-23) for the textile sector stood at ₹12,382.14 Crore, which was about 8.1% higher than the revised budgetary allocation of FY 2021-22:

- The Indian government allocated about ₹133.83 Crore for Textile Cluster Development Scheme; the total Budget allocation for research and capacity building in the textiles sector increased by 73.4% to about ₹478.83 Crore in 2022-23, compared to the revised Budget allocation of ₹276.10 Crore in FY 2021-22.
- The production-linked incentive (PLI) scheme and PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme received an allocation of ₹15 Crore each in Union Budget 2022-23.



- The government allocated ₹105 Crore for 2022-23 towards Raw Material Supply Scheme, already approved for implementation from FY 2021-22 to 2025-26. (Source: Cotton Association of India)

### Company overview

Go Fashion (India) Limited is one of the leading women's bottom wear clothing company in India and markets products under the brand name 'Go Colors'. The Company commenced its operations in 2010, founded by Gautam Saraogi, Prakash Saraogi and Rahul Saraogi. It is headquartered in Chennai. The Company is engaged in the design, sourcing, development, marketing and retail of women's bottom wear products. Its bottom wear products include leggings, dhotis, churidars, harem pants, Patiala, palazzos, trousers, culottes pants and jeggings, sold across different categories such as western wear, fusion wear, ethnic wear, athleisure, denim for women and girls across all age groups and sizes.

### Key ratios

Particulars	FY 22	FY 21
Debt-equity ratio	0.57	0.82
Debtors' turnover (days)	49	73
Inventory turnover (days)	151	118
Debtors' turnover	7.48	4.88
Inventory turnover	3.25	2.68
Interest coverage ratio (x)	5.10	2.25
Current ratio (x)	3.15	5.32
EBIDTA margin (%)	29.7	18.5
Net profit margin (%)	8.9	(1.4)

### Outlook

Since the overall women's bottom wear market is large, the Company is optimistic of the overall retail sentiment. With just an 8% market share, the Company intends to stay focused on bottom-wear by adding new bottom wear styles across ethnic, western, fusion and lounge wear. The Company plans on expanding the business by adding 120-130 exclusive brand outlets (EBOs) in the coming financial year and also targets healthy same-store sales growth for the existing network. Moreover, the Company will seek to strengthen the online business by implementing a seamless omni-channel experience between the company's stores and online channels.

### Risk management

Our Risk Management Committee is engaged in the timely identification and mitigation of risks. The Company recognises that risk is an integral and unavoidable component of business and is committed to manage risks in a proactive manner.

**Raw material risk:** Volatile raw material costs could affect the business.

**Mitigation:** The Company addressed resource volatility by passing increases to customers. The Company's raw material cost as a percentage of revenues was 33.76% in FY 2021-22 (36.77 % in FY 2020-21).

**Competition risk:** Emergence of new competitors could affect profitability.

**Mitigation:** The Company possesses extensive scale (3000+ SKUs), innovative products, strong brand recall and operational efficiency, enabling it to become a strong competitor.

**Trend risk:** Inability to address consumer preferences could affect the business.

**Mitigation:** The Company is exclusively engaged in an extensive range bottomwear products and invests in product development and innovation.

**Quality risk:** Inadequate product range, quality and poor manufacturing efficiency could impact the business.

**Mitigation:** The Company prioritises partnering partners/suppliers with best-in-class raw materials. The Company has a strong quality control team, ensuring superior quality. The company has an extensive distribution network resulting in superior product quality and competitiveness.

**Pandemic risk:** The COVID-19 pandemic could affect demand.

**Mitigation:** In view of COVID-19, the Company's business continuity plans and risk mitigation frameworks are being relooked at and strengthened.

**Customer attrition risk:** Losing customers could affect revenues and profits.

**Mitigation:** The Company has a diverse product portfolio, which includes churidars, leggings, harem pants, patiala, palazzos, culottes, pants, trousers and jeggings. Which are sold across multiple categories such as ethnic wear, western wear, fusion wear, activewear and denims. The Company designs diverse collections and caters to women and girls across all sizes and age groups, making the portfolio 'universal' and for every occasion and body type. The Company sells over 50 styles of bottom wear in more than 100 colors.

### Internal control systems and adequacy

The Company's internal audit system has been monitored continuously and updated to ensure that assets are safeguarded, regulations established are complied with

and pending issues are promptly addressed. The reports presented by internal auditors are reviewed by the audit committee on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. The committee maintains constant dialogue with statutory and internal auditors to make sure that internal control systems are operating effectively.

### Human resources

The Company's prudent HR practices have helped reinforced its leadership and is very crucial for the its success and prosperity. The Company's employee strength stood at 3164 as at 31<sup>st</sup> March 2022. The Company invests extensively in formal and informal training as well as on the job learning programmes. The Company reinforced engagements with employees across all levels by providing an enriched workplace, invigorating job profile and an on-going dialogue.

### Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

# Corporate Governance Report

The report on Corporate Governance is prepared pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"/ "Listing Regulations")

The Company's Shares are listed with National Stock Exchange of India and BSE Limited with effect from November 30, 2021.

## 1. Philosophy on Corporate Governance

The Company is committed to adopt the best Corporate Governance practices to manage the affairs of the Company in an ethical, accountable, transparent and fair way, with the blend of both legal and management practices, to imbed the same in the decision making process of the Company, and to communicate the same accurately and timely, in such a way that both stakeholders' expectations and legal standards are not only met, but the Company surpasses them.

The Company strives to ensure compliance with the various Corporate Governance Requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('SEBI Listing Regulations') and considers it as its inherent responsibility to protect the rights of our stakeholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company has complied with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations, as applicable, with regard to corporate governance.

Adherence to the various policies and codes adopted by the Company from time to time in conformity with regulatory requirements helps the Company fulfil this responsibility.

These policies are available on the Company's website: <https://www.gocolors.com/investor-relations>

This report highlights the Company's practices for the financial year 2021-22.

## 2. Board of Directors

The Board is at the core of our Corporate Governance practices and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

### (a) Size and Composition of the Board

The composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on March 31, 2022, the Board comprised seven (7) directors wherein one (1) is a Managing Director ('MD')(Promoter), one (1) is a Executive Director and Chief Executive Officer ('ED & CEO')(Promoter), one (1) is a Non-Executive Non-Independent Director ('NED')(Promoter), one (1) is a Investor Nominee Director ('ND') and three (3) are Independent Directors ('IDs') including a Woman Independent Director. The composition of the Board of Directors of the Company is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ('Act'). The Board periodically evaluates the need for change in its composition and size. A detailed profile of our Directors is available on our website: <https://www.gocolors.com/investor-relations>

Mr. Prakash Kumar Saraogi is the Managing Director of the Company.

Mr.Gautam Saraogi is the Executive Director and Chief Executive Officer of the Company.

Mr. Srinivasan Sridhar, Mr.Dinesh Madanlal Gupta and Ms.Rohini Manian are Independent Directors in terms of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Companies Act, 2013 ("the Act").

Mr.Rahul Saraogi is a Non-Executive Non-Independent Director.

Mr. Ravi Shankar Venkataraman Ganapathy Agraharam is a Non-Executive Nominee Director, representing M/s.Sequoia Capital India Investments IV, Equity Investor.

Ms. Rohini Manian is Woman Independent Director in terms of the Listing Regulations as amended from time to time.

None of the Directors of the Company serve as Directors in more than seven (7) listed companies. None of the Directors hold Directorships in more

than twenty (20) Indian Companies including ten (10) Public Limited Companies. Further, none of the Directors on the Board is a member of more than ten (10) Board Committees and Chairperson of more than five (5) Board Committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them in other companies. One Third of the Executive Directors and Non-Executive Directors (other than the nominee director) are liable to retire by rotation.

**Table A:** Composition of the Board and Directorship(s) held as on March 31, 2022

Name	Particulars	Other Board/Committee Memberships			Directors' Shareholding
		Directorships*	Committee Memberships#	Committee Chairmanship#	
Mr.Srinivasan Sridhar	Chairman & Independent Director	8	5	5	0
Mr.PrakashKumar Saraogi	Managing Director	0	0	0	60
Mr.Gautam Saraogi	Executive Director & CEO	0	0	0	60
Mr.Dinesh Madanlal Gupta	Non-Executive Independent Director	0	0	0	0
Ms.Rohini Manian	Non-Executive Independent Director	0	0	0	0
Mr.Rahul Saraogi	Non-Executive Non-Independent director	1	0	0	60
Mr.Ravi Shankar Venkataraman Ganapathy Agraharam	Non-Executive Non-Independent Nominee director	3	1	0	0

\*Excludes directorship and membership in Go Fashion (India) Limited. Also excludes directorships in private limited companies, foreign companies and companies registered under Section 8 of the Act and Government Bodies.

#For the purpose of calculating, only Audit and Stakeholders' Relationship Committee in public limited companies, whether listed or not, are considered – Regulation 26(1) of Listing Regulations

### List of Directorship Held in Other Listed Companies

Name	Name of the other Listed Entity	Category of Directorship
Mr. Srinivasan Sridhar	Jubilant Pharmova Limited	Independent Director
	Strides Pharma Science Limited	Independent Director
	Shriram Transport Finance Company Limited	Independent Director
Mr. Ravishankar Venkataraman Ganapathy Agraharam	Prataap Snacks Limited	Nominee Director
	Indigo Paints Limited	Alternate Director

### Inter-se relationship amongst the Directors:

Except as stated below, none of our Directors are related to each other.

Name of the Director	Name of the related Director	Relationship
Mr.Prakash Kumar Saraogi	Mr.Gautam Saraogi	Son
Mr.Prakash Kumar Saraogi	Mr.Rahul Saraogi	Nephew
Mr.Gautam Saraogi	Mr.Rahul Saraogi	Cousins



**KEY BOARD SKILLS, EXPERTISE, COMPETENCE**

The Board comprises distinguished, qualified and experienced members who bring in the requisite skills, expertise and competence that allows them to make a valuable contribution to the Board and its Committees.

Table below summarises the key skills, expertise and competence required for the Company and is taken into consideration while nominating candidates to serve on the Board.

The following matrix sets out the skills / expertise / competencies fundamental identified by the Board for the effective functioning of the Company and the names of the directors who have such skills / expertise / competence:

Name of the Directors	Mr. Srinivasan Sridhar	Mr. Dinesh Madanlal Gupta	Ms. Rohini Manian	Mr. Prakash Kumar Saraogi	Mr. Gautam Saraogi	Mr. Rahul Saraogi	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam
Experience and Industry knowledge	✓	✓	-	✓	✓	✓	✓
Finance & Accounts	✓	✓	-	-	✓	✓	✓
Corporate Governance	✓	✓	-	-	✓	✓	✓
General Management and Leadership	✓	✓	✓	✓	✓	✓	✓
Technology and Development	-	-	✓	✓	✓	✓	✓
Sales & Marketing	-	✓	✓	✓	✓	-	-
Business Development	-	✓	✓	✓	✓	✓	-

Considering the skills, expertise and competencies required for effective functioning and discharge of Board's duties, the Board is satisfied with the present composition of the Board of Directors. In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**Independent Directors**

Independent Directors are NED(s) as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with Rules framed thereunder.

In terms of Regulation 25(8) of the SEBI Listing Regulations, the IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the declarations received from the IDs, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs and their appointments are in compliance with Regulation 25(1) and (2) of the SEBI Listing Regulations. As

required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website: <https://www.gocolors.com/investor-relations>

**(b) BOARD MEETINGS:****Board Procedure**

The Board meets at regular intervals to discuss and decide on business policies and review the financial performance of the Company. Board meetings are communicated by giving appropriate notice to the Directors. The Board of Directors met Eleven (11) times during the FY 2021-22 and the gap between two board meetings did not exceed the period of one hundred and twenty days (120). The necessary quorum was present for all the meetings.

The dates on which the Board Meetings were held are as follows:

1. April 22, 2021;
2. June 17, 2021;
3. June 30, 2021;
4. July 22, 2021;
5. August 09, 2021;
6. August 12, 2021;
7. October 29, 2021;
8. November 09, 2021;
9. November 23, 2021;
10. November 26, 2021; and
11. February 05, 2022.

Table given below gives details of the attendance record of the Directors in the Board Meeting and Annual General Meeting:

Name	Board Meeting											Last AGM*
	Apr 22, 2021	Jun 17, 2021	Jun 30, 2021	Jul 22, 2021	Aug 09, 2021	Aug 12, 2021	Oct 29, 2021	Nov 09, 2021	Nov23, 2021	Nov 26, 2021	Feb 05, 2022	Jul 01, 2021
Mr. Srinivasan Sridhar#	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Prakash Kumar Saraogi	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Gautam Saraogi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Dinesh Madanlal Gupta##	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Ms. RohiniManian##	NA	NA	NA	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Mr. Rahul Saraogi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Ravishankar Venkataraman Ganapathy Agraharam	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No

\* Company was a private limited company as on the date of AGM.

# Mr.Srinivasan Sridhar was appointed as Independent Director with effect from July 22, 2021

## Mr.Dinesh Madanlal Gupta and Ms.Rohini Manian were appointed as Independent Directors w.e.f June 30, 2021

**Familiarisation Programme for Independent Directors**

The details of familiarisation programme done for the financial year 2021-22 have been hosted in the website of the Company under the web link <https://www.gocolors.com/investor-relations>

Code of Conduct for the Board of Directors and the Senior Management

The standards for business conduct provide that the Directors and the Senior Management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website <https://www.gocolors.com/investor-relations>

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the financial year 2021-22.

**Committees of the Board**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees:

- (i) Audit Committee
- (ii) Stakeholders' Relationship Committee
- (iii) Nomination and Remuneration Committee
- (iv) Corporate Social Responsibility Committee; and
- (v) Risk Management Committee

The Board has constituted the following Non- Mandatory Committee:

- (i) IPO Committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee. The Minutes of the Committee Meetings are tabled at the subsequent Board Meetings.

**A. Audit Committee**

The Audit Committee acts as a link between the Board of Directors and the Statutory and Internal Auditors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The role and terms of reference of the Audit Committee are governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee was constituted by a resolution of the Board on November 07, 2019, and was reconstituted by the Board on August 09, 2021 in compliance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.

Terms of reference of Audit Committee are:

- Oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- examining and 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 (c) 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; and
  - g) Modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 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, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow-up thereon;
- 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;
- 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;
- looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- reviewing the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 (Rupees One Thousand Mn only) or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

- considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Audit Committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- 3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) Internal audit reports relating to internal control weaknesses;
- 5) The appointment, removal and terms of remuneration of the chief internal auditor; and

6) Statement of deviations in terms of the SEBI Listing Regulations:

- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
- b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.

There were four (4) Audit Committee Meetings held during FY 2021-22 as follows:

June 17, 2021;

August 09, 2021;

October 29, 2021 and

February 05, 2022

The composition of the Audit Committee is as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Table given below gives details of Composition and the attendance record of the Members of the Audit Committee:

Name of the Directors	Designation	No. of Meetings Held	No. of Meetings Attended	June 17, 2021	August 09, 2021	October 29, 2021	February 05, 2022
Mr. Dinesh Madanlal Gupta*	Chairman	4	3	NA	Yes	Yes	Yes
Mr. Sridhar Srinivasan*	Member	4	3	NA	Yes	Yes	Yes
Mr. Gautam Saraogi	Member	4	4	Yes	Yes	Yes	Yes

\*Mr.Srinivasan Sridhar and Mr.DineshMadanlal Gupta, Independent Directors were inducted in the committee w.e.f. August 09, 2021

As on 31<sup>st</sup> March 2022, the Audit Committee comprised of two Independent Directors and One Executive Director, all of whom are financially literate and have relevant finance / accounting exposure.

Ms. V. Gayathri, Company Secretary acts as the Secretary of the Committee.

#### B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to resolution passed by our Board in its meeting held on November 07, 2019 and reconstituted by the Board on August 09, 2021 in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated by our Board are set forth below.

Terms of reference of Nomination and Remuneration Committee are:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to

the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- 2) The Nomination and Remuneration Committee should, for every appointment of an independent director, 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. For the purpose of identifying suitable candidates as an independent director, the Committee may:

- a) use the services of an external agencies, if required;



- b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c) consider the time commitments of the candidates
- 3) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- 4) Devising a policy on Board diversity;
- 5) 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 their appointment and removal and shall carry out evaluation of every director's performance (including Independent Director);
- 6) Analysing, monitoring and reviewing various human resource and compensation matters;
- 7) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- 8) 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;
- 9) Recommend to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- 10) The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:
  - a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- 11) perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended,
- 12) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- 13) carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

There was one (1) Nomination and Remuneration Committee Meeting held during FY 2021-22 on August 09, 2021. Ms. V. Gayathri, Company Secretary acts as the Secretary of the Committee.

The Committee has formulated criteria for performance evaluation of the Board of Directors of the Company. The said criteria forms part of the performance evaluation policy of the Company.

**Table given below gives the details of the Composition and attendance record of the Members of the Nomination and Remuneration Committee:**

Name of the Directors	Designation	No. of Meetings Held	No. of Meetings Attended	August 09, 2021
Mr. Dinesh Madanlal Gupta	Chairman	1	1	Yes
Mr. Sridhar Srinivasan	Member	1	1	Yes
Mr. Rahul Saraogi	Member	1	1	Yes

## DIRECTORS' REMUNERATION

### A. Remuneration Policy

The Company has a well-defined Policy for Remuneration of the Directors, Key Managerial

Personnel and other Employees. The Nomination and Remuneration Policy has been formulated to provide a framework for the nomination, evaluation and remuneration of members of the board of directors of the Company (the "Board"), key managerial personnel ("KMPs"), and other employees of the Company. This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The policy has been placed on the website of the Company at [www.gocolors.com/investor-relations](http://www.gocolors.com/investor-relations)

Nomination and Remuneration Committee (NRC) recommends the remuneration to be paid to the executive director, non-executive director, Independent Director and KMPs to the Board for their approval.

The NRC while deciding the basis for determining the compensation, both fixed and variable takes into consideration various factors such as Director's

participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the NRC may deem fit.

The level and composition of remuneration so determined by the Committee is reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management Personnel of the quality required to run the Company successfully. The relationship of remuneration to performance is clear and meets the appropriate performance benchmarks.

### Non-Executive and Independent Directors Compensation

No compensation or sitting fees is being paid to Non-Executive Non-Independent Directors.

Independent Directors are paid remuneration by way of Independent Director fees. The remuneration is a fixed fee and determined by the Committee and recommended to the Board for its approval.

The remuneration payable, by the Company to Independent Directors are subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

All Directors are entitled for reimbursement of all travelling and other expenses they incur for attending to the Company's affairs.

### The remuneration of Non-Executive Independent Directors is given in the Table below:

Name	Sitting fees	Independent Director fee	Total
Mr. Srinivasan Sridhar	0	12,00,000	12,00,000
Mr. Dinesh Madanlal Gupta	0	6,00,000	6,00,000
Ms. Rohini Manian	0	6,00,000	6,00,000

### Executive Directors' Remuneration

The compensation paid to the executive directors (including managing director) is within the scale approved by the shareholders. The elements of the total compensation, approved by the NRC are also within the overall limits specified under the Act.

The elements of compensation of the executive directors are decided by the Board from time to time. In case of inadequacy of profit in any financial year, the remuneration payable to the executive directors shall be further subject to the relevant provisions of the Act.

Executive directors are not paid sitting fees for any Board/ committee meetings attended by them.

The annual remuneration package of Executive Directors comprises a fixed salary component which is as follows:

Sr. No	Particulars of Remuneration	Mr. Prakash Kumar Saraogi	Mr. Gautam Saraogi
1.	Designation	Managing Director	Executive Director & CEO
2.	Tenure / Service Contract	30 <sup>th</sup> June 2021 to 29 <sup>th</sup> June 2026	30 <sup>th</sup> June 2021 to 29 <sup>th</sup> June 2026
3.	Notice Period	As per policy of the Company - 3 months' notice period or such shorter period as may be mutually agreed	
4.	Gross Salary		
	a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,70,767	76,18,305
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961		
5.	Stock Option	-	-
6.	Sweat Equity	-	-
7.	Commission - As % of profit - Others, If any	-	-
8.	Others	-	-
9.	<b>Total</b>	<b>1,20,70,767</b>	<b>76,18,305</b>

There is no separate provision for payment of severance pay.

#### Stakeholders' relationship committee:

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by the Board in its meeting held on August 09, 2021. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated by the Board are set forth below:

Terms of reference for Stakeholders' Relationship Committee are:

- 1) considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- 2) 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.;
- 3) giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- 4) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

- 5) review of measures taken for effective exercise of voting rights by shareholders;
- 6) 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;
- 7) 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; and
- 8) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Ms. V. Gayathri, Company Secretary acts as the Secretary of the Committee.

Ms. V. Gayathri is the Company Secretary and Compliance Officer of the Company.

There were two (2) Stakeholders' Relationship Committee Meeting held during FY 2021-22.

#### Table given below gives the details of Composition and attendance record of the Members of the Stakeholders' Relationship Committee:

Name of the Directors	Designation	No. of Meetings Held	No. of Meetings Attended	August 09, 2021	December 29, 2021
Mr. Rahul Saraogi	Chairman	2	2	Yes	Yes
Ms. Rohini Manian	Member	2	2	Yes	Yes
Mr. Gautam Saraogi	Member	2	2	Yes	Yes
Mr. G. V. Ravishankar	Member	2	1	No	Yes

During the year the Company received 267 complaints, which were resolved immediately. No pending complaints as on 31<sup>st</sup> March, 2022.

#### E. RISK MANAGEMENT COMMITTEE:

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and provisions of Companies Act, 2013, as amended which requires the Company to lay down procedures about risk assessment and risk minimization, The Risk Management Committee was constituted pursuant to resolution passed by the Board in its meeting held on August 09, 2021. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated by our Board are set forth below:

The terms of reference of the Risk Management Committee shall include the following:

- 1) Formulation of a detailed risk management policy which shall include:
  - (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
  - (b) measures for risk mitigation including systems and processes for internal control of identified risks; and
  - (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, and recommend for any amendment or modification thereof, as necessary;
- 5) Keep the Board of directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- 7) To implement and monitor policies and/or processes for ensuring cyber security; and
- 8) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. V. Gayathri, Company Secretary acts as the Secretary of the Committee.

There were Two (2) Risk Management Committee Meeting held during FY 2021-22.



Table given below gives the details of Composition and attendance record of the Members of the Risk Management Committee:

Name of the Directors	Designation	No. of Meetings Held	No. of Meetings Attended	August 09, 2021	February 02, 2022
Mr. Gautam Saraogi	Chairman	2	2	Yes	Yes
Mr. Rahul Saraogi	Member	2	1	Yes	No
Mr. Sridhar Srinivasan	Member	2	2	Yes	Yes
Mr. R. Mohan	Member	2	2	Yes	Yes

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

The Corporate Social Responsibility Committee was constituted on June 14, 2017 and re-constituted on August 09, 2021. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to resolution passed by the Board are set forth below.

Terms of reference of CSR Committee are:

- 1) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- 2) review and recommend the amount of expenditure to be incurred on the activities referred to in clause(1);
- 3) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- 4) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

2 (Two) Corporate Social Responsibility Committee Meetings were held during FY 2021-22.

Ms.V.Gayathri, Company Secretary acts as the Secretary of the Committee.

Table given below gives the details of Composition and attendance record of the Members of the Corporate Social Responsibility Committee:

Name of the Directors	Designation	No. of Meetings Held	No. of Meetings Attended	June 30, 2021	August 09, 2021
Mr. Gautam Saraogi	Chairman	2	2	Yes	Yes
Mr. Prakash Kumar Saraogi	Member	2	2	Yes	Yes
Mr. Rahul Saraogi	Member	2	2	Yes	Yes
Mr. Dinesh Madanlal Gupta *	Member	2	1	NA	Yes

\* Mr. Dinesh Madanlal Gupta, Independent Director was inducted in the committee w.e.f. August 09, 2021

**G. INITIAL PUBLIC OFFER (IPO) COMMITTEE:**

The Initial Public Offer (IPO) Committee was constituted pursuant to a circular resolution passed by the Board on July 08, 2021 for the purpose of giving effect to the proposed Offer and listing the Equity Shares on one or more of the recognised stock exchanges in India and its terms of reference as stipulated by the Board are set forth below.

- a. To decide in consultation with the BRLMs the actual size of the Offer and taking on record the number of equity shares, having face value of ₹ 10 per equity share (the "Equity Shares"), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, opening and closing dates of the Offer, price band, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
- b. To make applications to the Securities and Exchange Board of India ("SEBI"), Insurance Regulatory and Development Authority of India, Reserve Bank of India, or to any other statutory or governmental authorities in connection with the Offer as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

- c. To approve and file the draft red herring prospectus ("DRHP") with the SEBI, the red herring prospectus ("RHP") and prospectus ("Prospectus") with the Registrar of Companies, Tamil Nadu at Chennai and thereafter with SEBI and the relevant stock exchanges and the preliminary and final international wrap (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient) in relation to the Offer as finalised by the Company, therein;
- d. To decide in consultation with the book running lead managers ("BRLMs") on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto;
- e. To appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, registrars, legal advisors, advertising agency and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise the terms of their appointment;
- f. To negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Offer, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, monitoring agency, legal advisors, auditors, Stock Exchanges, BRLMs and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
- g. To invite the existing shareholders of the Company to participate in the Offer to offer for sale Equity Shares held by them at the same price as in the Offer.
- h. To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the Offer for Sale and transfer of Equity Shares in Offer for Sale;
- i. To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the DRHP, RHP, the Prospectus, the preliminary international wrap and final international wraps, Offer agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, agreements with the registrar and the advertising agency and all other documents, deeds, agreements and instruments and any notices, supplements and corrigenda thereto, as may be required or desirable in relation to the Offer;
- j. To open with the bankers to the Offer such accounts as may be required by the regulations issued by SEBI;
- k. To seek, if required, the consent of the lenders to the Company or industry data providers and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers from parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in relation to the Offer;
- l. To open and operate bank accounts in terms of the cash escrow and sponsor bank agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- m. To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the uniform listing agreement to be entered into by the Company with the relevant stock exchanges, and to approve policies to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (given the proposing listing of the Company);
- n. To approve expenditure and payment of fees, commission, remuneration and expenses in connection with the Offer;
- o. To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including anchor investor offer price), approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;
- p. To issue allotment letters/confirmation of allotment notes with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;

- q. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- r. To approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
- s. To do all such acts, deeds, matters and things and execute all such other documents, etc., deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
- t. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents with agencies, authorities or bodies as may be required in this connection;
- u. To withdraw the DRHP, RHP and the Offer at any stage in consultation with the BRLMs, if deemed necessary;
- v. To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchange(s) where the Equity Shares are to be listed;
- w. To negotiate, finalise, sign, execute, deliver and complete any and all notices, offer documents (including DRHP, RHP and Prospectus) agreements, letters, applications, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto) on behalf of the selling shareholder (as maybe applicable), as the case may be, in relation to the Offer;
- x. To make applications for listing of the Equity Shares in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);
- y. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company; and
- z. To authorize and empower officers of the Company (each, an "Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any declarations, affidavits, certificates, consents, agreements and arrangements as well as amendments or supplements thereto as may be required from time to time or that the Authorized Officers consider necessary, appropriate or advisable, in connection with the IPO, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar's agreement, the depositories agreements, the issue agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement and confirmation of allocation notes, with the BRLMs, lead manager, syndicate members, bankers to the IPO, registrar to the IPO, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Offer, if any and to do or cause to be done any and all such acts or things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.  
  
Ms.V.Gayathri, Company Secretary act as the Secretary of the Committee.  
  
There were 3 (Three) IPO Committee Meetings held during FY 2021-22 as follows:

Table given below gives the details of Composition and attendance record of the Members of the Initial Public Offer Committee:

Name of the Directors	Designation	No. of Meetings Held	No. of Meetings Attended	November 09, 2021	November 10, 2021	November 16, 2021
Mr.Gautam Saraogi	Chairman	3	3	Yes	Yes	Yes
Mr.Rahul Saraogi	Member	3	2	Yes	No	Yes
Mr.G.V.Ravishankar	Member	3	3	Yes	Yes	Yes

**CONFIRMATION BY THE BOARD OF DIRECTORS- ACCEPTANCE OF RECOMMENDATION OF**

**MANDATORY COMMITTEES**

In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

**INSIDER TRADING**

In an endeavour to prevent the misuse of unpublished price sensitive information in the day-to-day business affairs and to promote the culture of fair disclosure of information in due compliance with the Principles of Fair Disclosures as set out in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, have formulated a Code of Conduct for fair disclosure of unpublished price sensitive information.

The Company has issued comprehensive guidelines in accordance with the SEBI Regulations as amended, in this regard, which advise and caution the Directors and designated persons, dealing with the securities of the Company. The Insider Trading Code framed by the Company helps in ensuring compliance with these requirements.

On October 29, 2021, the Company adopted the Code of Conduct to Regulate, Monitor and Report Trading by

Designated Persons in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The Board reviews the policy on an ad hoc basis.

**PERFORMANCE EVALUATION**

Separate exercise was carried out to evaluate the performance of individual Directors who were

evaluated on parameters such as Qualifications, Experience, Knowledge and Competency, Fulfilment of functions, Ability to function as a team, Initiative, Availability & attendance, Commitment, Contribution and Integrity.

The evaluation of the Independent Directors was carried out with additional criteria such

as Independence and Independent views and judgement.

The performance evaluation of the Chairman was carried out with further additional criteria such as Effectiveness of leadership and ability to steer the meetings, Impartiality, Commitment and Ability to keep shareholders' interests in mind. The Non-Independent Directors' evaluation was carried out by the Independent Directors separately.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**General Body meetings:**

The details of the Annual General Meetings held in the last three years are as follows:

Year / date / day / time	Venue
2020-21 July 01, 2021, Thursday, 10.00 A.M.	The Annual General meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office i.e. Sathak Center, No.4, 5 <sup>th</sup> Floor, Nungambakkam, Chennai - 600 034 was the deemed venue of the meeting.
2019-20 October 09, 2020, Friday 11.00 A.M.	Registered office i.e. Sathak Center, No.4, 5 <sup>th</sup> Floor, Nungambakkam, Chennai - 600 034
2018-19 September 30, 2019, Monday 11.00 A.M..	Registered office i.e. Sathak Center, No.4, 5 <sup>th</sup> Floor, Nungambakkam, Chennai - 600 034

The details of Special Resolutions passed in AGM / EGM in the last 3 years are as follows:

AGM / EGM	Date	Whether any special resolution was passed	Particulars
EGM	August 09, 2021	Yes	1. Increase in authorised share capital and amendment to the memorandum of association 2. Raising of capital through an initial public offering 3. Adoption of new articles of association of the company 4. Approval of amendment to the shareholders' agreement 5. Increase in the investment limits for non-resident indians ("nri") and overseas citizens of india ("oci") 6. Increase in borrowing limits of the company



AGM / EGM	Date	Whether any special resolution was passed	Particulars
AGM	July 01, 2021	Yes	Conversion from a private limited company to a public limited company Appointment of Mr. Dinesh Madanlal Gupta (DIN:00126225) as Independent Director Appointment of Ms. Rohini Manian (DIN:07284932) as Independent Director Appointment of Mr. Prakash Kumar Saraogi as Managing Director and Whole time Key Managerial Personnel Appointment of Mr. Gautam Saraogi as Executive Director &CEO

No special resolution was passed by the shareholders of the company through postal ballot during the year 2021-22.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate Chapter in the Annual Report.

### MEANS OF COMMUNICATON:

#### WEBSITE, NEWS & EVENTS

- Subsequent to the listing of the Company on November 30, 2021, the Company has been undertaking dissemination of information in line with the Listing Regulations on its website at [www.gocolors.com](http://www.gocolors.com)
- A separate dedicated section under 'Investors' at hyperlink <https://gocolors.com/pages/investor-relations> gives information on applicable policies including policy on dealing with related party transactions along with news and events held during the year of the Company.
- A separate dedicated section under 'Investors' Section on the Company's website at <https://gocolors.com/pages/investor-relations> gives information on policy for determining material subsidiary.
- The quarterly, half-yearly and yearly results are sent to the Stock Exchanges where the shares of the Company are listed. The results are normally published in "Financial Express" (English Daily) and "Makkal Kural" (Tamil Daily). The results are displayed on the Company's <https://gocolors.com/pages/investor-relations> along with press releases and investor presentations made to institutional investors and/or analysts.

#### General Shareholder Information

##### a) Annual General Meeting

Day, Date And Time	Venue
Monday, September 12, 2022, 10.00 am	The Annual General meeting will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office i.e. Sathak Center, No.4, 5 <sup>th</sup> Floor, Nungambakkam, Chennai - 600 034 shall be the deemed venue of the meeting.

##### b) Financial year and Financial calendar (Tentative) of the company

The Financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

Results for Quarter ending 30 <sup>th</sup> June 2022	On or before August 14, 2022
Results for Quarter ending 30 <sup>th</sup> September 2022	On or before November 14, 2022
Results for Quarter ending 31 <sup>st</sup> December 2022	On or before February 14, 2023
Results for Quarter ending 31 <sup>st</sup> March 2023	Last Quarter Results and Annual Audited Results Within 60 days of the close of financial Year ending on March 31, 2022 i.e. On or before May 30, 2023

#### Dividend Payment

No dividend is proposed to be declared at the forthcoming Annual General Meeting

### LISTING ON STOCK EXCHANGES

#### The National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Stock Symbol: GOCOLORS

#### BSE Limited,

Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001

Scrip Code: 543401

The Listing Fees for the Financial Year 2022 -2023 has been paid.

ISIN: INE0BJS01011

#### Date of Book closure

The period of Book Closure is fixed from Tuesday, 06<sup>th</sup> September 2022 to Monday, 12<sup>th</sup> September 2022 (both days inclusive).

#### Details of the outstanding ADRS / GDRS / Warrants or convertible instruments

Nil

### STOCK MARKET DATA

The details of monthly high/low market price of the Equity Shares of the Company at BSE Limited and at the National Stock Exchange of India Limited for the year under review is provided hereunder in comparison to performance of the Company' share relative to SENSEX and NIFTY 50 :

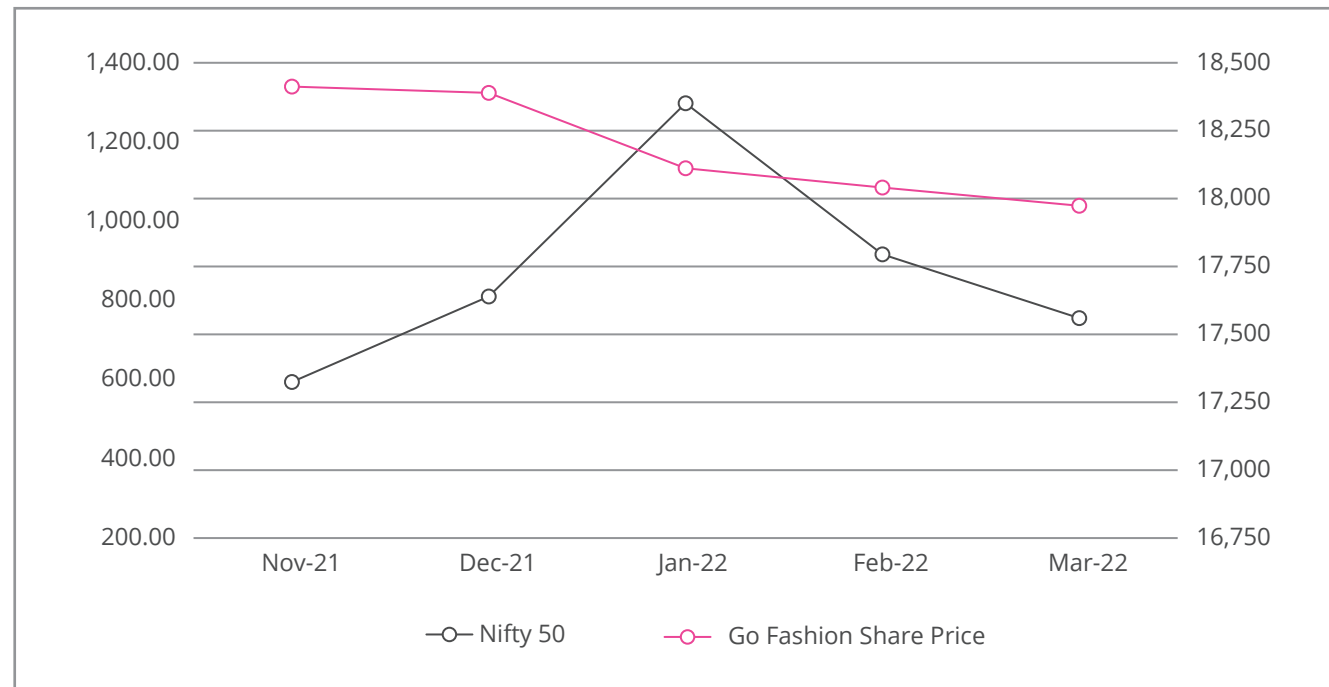
Month	BSE Limited		BSE Sensex		National Stock Exchange of India Limited		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
Nov-21	1341.00	1144.15	61,036.56	56,382.93	1,339.90	1,143.10	17324.65	16931.40
Dec-21	1,324.00	921.90	59,203.37	55,132.68	1,324.00	960.55	17639.50	16410.20
Jan-22	1,132.00	912.05	61,475.15	56,409.63	1,133.70	912.95	18350.95	16836.80
Feb-22	1,109.80	868.25	59,618.51	54,383.20	1,085.00	861.00	17794.60	16203.25
Mar-22	1,040.00	861.90	58,890.92	52,260.82	1,039.00	847.30	17559.80	15671.45

The Company is listed on the BSE & NSE w.e.f. November 30, 2021

Go Fashion Share price vs BSE Sensex



Go Fashion Share price vs Nifty 50



**REGISTRAR AND SHARE TRANSFER AGENTS**

M/s. Kfin Technologies Limited (Formerly known as Kfin Technologies Private Limited), having its registered office at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana – 500032 are the Registrar and the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed.

All matters connected with share transfer, transmission, dividend payment are handled by the share transfer agent.

**SHARE TRANSFER SYSTEM**

The Company's shares are compulsorily traded in dematerialised form.

In the case of transfers in physical form which are lodged at the Registrar and Transfer Agent's office, these are processed within a maximum period of 15 days from the date of receipt. All share transfers and other share-related issues are approved by Stakeholders' Relationship Committee duly constituted for this purpose.

**DISTRIBUTION OF SHAREHOLDING AS ON March 31, 2022**

Number of Shares held	Number of Folios	Number of Shares held	% of Shareholding
1-5000	46,272	10,14,319	1.88
5001- 10000	159	1,17,705	0.22
10001- 20000	79	1,11,295	0.21
20001- 30000	26	64,549	0.12
30001- 40000	11	38,720	0.07
40001- 50000	7	32,161	0.06
50001- 100000	32	2,35,108	0.44
100001& Above	68	5,23,95,127	97.01
<b>Total</b>	<b>46,654</b>	<b>5,40,08,984</b>	<b>100.00</b>

**CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2022**

Category	No. of Shares of ₹ 10 each	% of Shareholding
Promoter & Promoter Group	2,85,08,648	52.79
Clearing Members	35,449	0.07
Bodies Corporate (including Foreign Bodies Corporate)	77,21,478	14.29
Mutual Funds	96,80,477	17.92
Non Resident Indians	49,710	0.09
Foreign Portfolio Investors	41,25,417	7.64
Alternate Investment Funds	20,50,845	3.80
Individuals	13,84,143	2.56
Others	4,52,817	0.84
<b>Total</b>	<b>5,40,08,984</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES**

As on March 31, 2022, the breakup of the total shares of the Company was as under:

Particulars	No. of shares	Percentage of Total Number of Shares
Held in dematerialised form in CDSL	9,75,537	1.81
Held in dematerialised form in NSDL	5,30,33,446	98.19
Physical	1	0.00
<b>Total</b>	<b>5,40,08,984</b>	<b>100.00</b>

**RECONCILIATION OF SHARE CAPITAL AUDIT**

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2022, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form.

5,40,08,983 equity shares representing 99.99% of the paid up equity capital are in dematerialised form as on 31<sup>st</sup> March 2022.

**NON-CONVERTIBLE DEBENTURES (NCDs)**

The Company has not issued NCDs.

**The Company also fulfilled the following non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations:**

Regarding compliance with non-mandatory requirements, the following is the status:

- i. Chairman of the Board – Separate Office for chairperson is not provided at the registered office of the company.

Shareholders' Rights – Half-yearly declaration of financial performance are not currently sent to each of the household of Shareholders but are published in terms of Regulation 47(3) of Listing Regulations in newspapers and also sent to the Stock Exchanges. Besides, all the Quarterly / Half-yearly / annual financial results are published on the Company's website.

Modified opinion in Audit Report: During the year under review, there was no audit qualification in the Independent Auditor's Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

Separate posts of Chairperson, Managing Director and Chief Executive Officer – currently the post of Chairperson, Managing Director and Chief Executive Officer are held by different persons.

Reporting of internal Auditor – Internal Auditors of the Company are not directly reporting to the Audit Committee. However, Internal Auditors are making quarterly reports to the committee and they are invited for all the Audit Committee meetings.



**WAREHOUSE LOCATIONS**

Tirupur	S.F.No.155/2, Punjai, Pongupalayam Village, Tirupur Taluk, Avinashi Sub Registration District, Coimbatore Registration District
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**ADDRESS FOR CORRESPONDENCE**

Registered Office: Ms. Gayathri Venkatesan, Company Secretary & Compliance Officer, Go Fashion (India) Ltd., No. 4, 5 <sup>th</sup> Floor, Sathak Center, Nungambakkam High Road, Chennai - 600034 Ph: 044-42 111 777 E mail id: investor.relations@gocolors.com	Registrar and Share Transfer Agents: Kfin Technologies Limited, Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500032 Tel No: 040-67162222 E mail ID: einward.ris@kfintech.com Website: www.kfintech.com
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**CREDIT RATING (ASSIGNED IN FY 2021-22)**

The details of Credit ratings obtained by the entity forms part of the Board's report.

**OTHER DISCLOSURES****Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis.

There was no materially significant related party transaction having potential conflict with the interests of the Company during the year. Transactions with related parties, as per the requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements.

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained prior approval of the Audit Committee for entering into transactions with related parties. The approved policy for related party transactions has been uploaded on the Company's website (<https://www.gocolors.com/investor-relations>)

**Web Link Where Policy for Determining 'Material Subsidiary Is Disclosed**

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website : <https://www.gocolors.com/investor-relations>

The Company does not have any material subsidiary.

**Details of Utilization of Funds Raised Through Initial Public Offer**

A detailed table showing the utilization of funds raised through IPO forms part of the Board's report.

**Details of non-compliance**

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters. The disclosure of compliances with respect to Corporate Governance requirements as specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 is made in the Corporate Governance Report.

**Vigil mechanism / Whistle Blower Policy**

The Company has formulated a Whistle Blower Policy and has established a mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy.

The Vigil Mechanism / Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities/unethical behaviour. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee directly. The Company affirms that no personnel have been denied access to the Audit Committee.

Further details are available in the Whistle Blower policy of the Company posted in Company Website <https://www.gocolors.com/investor-relations>

**Compliance with Mandatory Requirements**

Post listing of shares of the Company on November 30, 2021, the Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

**Foreign exchange risk and hedging activities**

Presently the Company has only imports and does not have any exports. As the imports are against Letter of Credit at sight, the risk of open coverage of forex is limited. For the FY 2021-22, there is no material exchange difference expenses. Hence, the Company has not undertaken any hedging activities.

**Certificate from Practising Company Secretary confirming Directors are not debarred / disqualified**

A Certificate from a Company Secretary in Practice has been obtained confirming 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 Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

**Statutory Auditor Fee Particulars**

M/s. Deloitte, Haskins and Sells LLP, Chartered Accountants are the Statutory Auditors of the Company. The total fee paid for the FY 2021-22 to Statutory Auditors is given below:

S. No.	Description of the Service	Fees (₹ in lakhs)
(i)	Statutory Audit	25.00
(ii)	Limited Review Report	4.00
(iii)	Other Certification charges	1.00
(iv)	IPO related services	173.87
	<b>Total</b>	<b>203.87</b>

**Disclosure as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has constituted Internal Complaints Committee (ICC) to consider and resolve all sexual harassment complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of sexual harassment complaints for the yearended March 31, 2022 are furnished as under:

Particulars	No. of complaints
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION**

The Chief Executive Officer and Chief Financial Officer of the Company have given annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and the said certificate is annexed with this report in Annexure IV.

The Chief Executive Officer and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the Listing regulations.

**DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT'**

NA

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	No. of Shareholders	No. of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2021	0	0
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	0	0

**REPORT ON CORPORATE GOVERNANCE**

This Chapter read together with the "Annexure to Corporate Governance", constitutes the Compliance Report on Corporate Governance for FY 2021-22.

This Corporate Governance Report of the Company for the financial year ended March 31, 2022 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent applicable.

## Certificate of Non-Disqualification of Directors

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Members,  
**GO FASHION (INDIA) LIMITED**  
 CIN: L17291TN2010PLC077303  
 Sathak Center,  
 5<sup>th</sup> Floor New No.4, Old No.144/2,  
 Nungambakkam High Road,  
 Chennai 600034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **GO FASHION (INDIA) LIMITED (CIN: L17291TN2010PLC077303)** having its Registered Office at Sathak Center, 5<sup>th</sup> Floor New No.4, Old No.144/2, Nungambakkam High Road, Chennai - 600034 (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below on the Board of the Company as on 31<sup>st</sup> March 2022 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.

S. NO	NAME OF THE DIRECTOR	DESIGNATION	DIN	DATE OF APPOINTMENT
1.	Srinivasan Sridhar	Non-Executive - Independent Director - Chairman	00004272	22/07/2021
2.	Prakash Kumar Saraogi	Managing Director	00496255	09/09/2010
3.	Gautam Saraogi	Executive Director and Chief Executive Officer	03209296	09/09/2010
4.	Rahul Saraogi	Non-Executive - Non Independent Director	00496259	09/09/2010
5.	Ravi Shankar Venkataraman Ganapathy Agraharam	Non-Executive - Nominee Director	02604007	02/12/2014
6.	Dinesh Madanlal Gupta	Non-Executive - Independent Director	00126225	30/06/2021
7.	Rohini Manian	Non-Executive - Independent Director	07284932	30/06/2021

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

PLACE : CHENNAI  
 DATE : August 10, 2022

**For R.SRIDHARAN & ASSOCIATES**  
 COMPANY SECRETARIES

**CS R.SRIDHARAN**  
 CP No. 3239  
 FCS No. 4775  
 PR NO.657/2020  
 UIN: S2003TN063400  
 UDIN: F004775D000767174

## Annexure IV

## Corporate Governance Certificate

The Members,  
**GO FASHION (INDIA) LIMITED**  
 CIN: L17291TN2010PLC077303  
 Sathak Center, 5<sup>th</sup> Floor,  
 New No.4, Old No.144/2, Nungambakkam High Road,  
 Chennai - 600034

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **GO FASHION (INDIA) LIMITED [Formerly known as GO FASHION (INDIA) PRIVATE LIMITED], (CIN: L17291TN2010PLC077303)** having its Registered Office at Sathak Center, 5<sup>th</sup> Floor, New No.4, Old No.144/2, Nungambakkam High Road, Chennai - 600034 for the purpose of certifying compliance of the conditions of Corporate Governance under Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31<sup>st</sup> March, 2022 [w.e.f. 30<sup>th</sup> November, 2021 i.e. the date of listing of the Equity Shares with BSE Limited and National Stock Exchange of India Limited]. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the financial year ended 31<sup>st</sup> March, 2022.

This Certificate 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 : CHENNAI  
 DATE : August 10, 2022

**For R. SRIDHARAN & ASSOCIATES**  
 COMPANY SECRETARIES

**CS R. SRIDHARAN**  
 CP No. 3239  
 FCS No. 4775  
 PR NO.657/2020  
 UIN: S2003TN063400  
 UDIN: F004775D000767185



## CEO and CFO Certificate

under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

To,  
The Board of Directors,  
**Go Fashion (India) Limited**

We, Gautam Saraogi - CEO and R.Mohan - CFO of Go Fashion (India) Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed the Audited financial statements and cash flow statement of Go Fashion (India) Limited for the year ended March 31<sup>st</sup>, 2022 and:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year ended March 31<sup>st</sup>, 2022 which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Gautam Saraogi**  
Whole time Director & CEO  
DIN: 03209296

**R Mohan**  
Chief Financial Officer

Place: Chennai  
Date: 07-05-2022

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Go Fashion (India) Limited**  
{Formerly known as Go Fashion (India) Private Limited}

### Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of Go Fashion (India) Limited {Formerly known as Go Fashion (India) Private Limited} ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under

section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Determination of provision for obsolescence and slow-moving inventories:</b></p> <p>Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses as considered necessary.</p> <p>As at March 31, 2022, the Company held inventories of Raw Material and Finished Goods aggregating ₹16,591.92 Lakhs (net of provision of ₹450.99 Lakhs).</p> <p>The Company considers the age and nature of the product to which inventory pertains for determining the net realisable value for slow moving and obsolete inventories. Such inventories are thereafter marked down to their estimated net realisable value, i.e. what the Company expects to realise from sale of such inventory.</p>	<p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>• Obtained understanding and evaluated the design, implementation and tested the operating effectiveness of management's controls over the valuation of inventories including the identification of slow moving/obsolete inventories and determining the net realisable value of such inventories.</li> <li>• On sample basis, verified that the inventories of raw material and finished goods are valued at lower of the cost or net realisable value. Assessed the appropriateness of the method of determining the net realisable value.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The Company makes provisions for slow moving and/or obsolete stock, based on the analysis of inventories, past experience, current trend and future expectations, depending upon the category of goods.</p> <p>Significant judgements and estimates are required in determining the appropriate level of provision and hence we have considered provision for inventories as key audit matter.</p>	<ul style="list-style-type: none"> <li>• Obtained the working for the provision on slow moving/obsolete inventories and verified the estimate taken for provisioning is on the basis of historical trend and re-performed the calculation for the provision computed by the management.</li> <li>• Evaluated the reasonability of the basis including historical trend of the management's estimations on the valuation of the slow moving/obsolete inventories and valuation thereof.</li> <li>• Reviewed the accounting policy for obsolescence of inventory for reasonableness and consistency.</li> <li>• Compared the methodology used to calculate the inventory provision and its consistency with prior periods and obtained an understanding of management basis for changes, if any.</li> <li>• Tested the adequacy and appropriateness of the disclosures made in the financial statements in respect of such provision created by the Company.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Corporate Governance Report, Management Discussion and Analysis and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon. The Board's Report, Corporate Governance Report, Management Discussion and Analysis and Business Responsibility Report are expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Board's Report, Corporate Governance Report, Management Discussion and Analysis and Business Responsibility Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is

not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the financial statements

of which we are the independent auditors.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken



on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) 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.
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) 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, 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.
  - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & sells LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

C Manish Muralidhar  
Partner  
Membership No. 213649  
UDIN: 22213649AIOLOA2927

Place: Hyderabad  
Date: 07 May 2022

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Go Fashion (India) Limited {Formerly known as Go Fashion (India) Private Limited} ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial Statements of the Company for the year ended on that date.

### 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 over financial reporting 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. 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting, and such internal financial controls over financial reporting were operating effectively as of March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective 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.

For Deloitte Haskins & sells LLP  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

C Manish Muralidhar  
Partner  
Membership No. 213649  
UDIN: 22213649AIOLOA2927

Place: Hyderabad  
Date: 07 May 2022

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification all the Property, Plant and Equipment, at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanation given to us, the reconciliation with the books is in progress and no material discrepancies were noticed on such verification.
- (c) In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right-of-use assets as at the balance sheet date, the lease agreements are duly executed and are in favour of the Company.
- (d) According to the information and explanation given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for (Stocks in transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of Section 185 and 186 of Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business activities, maintenance of cost records under section 148 of Companies Act is not applicable, hence reporting under clause (vi) is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Goods and Service Tax, and Value Added Tax which have not been deposited as on March 31, 2022 on account of disputes are given below:



Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Disputed Amount (₹ in Lakhs)	Unpaid Amount (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2017-18	74.39	-
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2018-19	23.89	7.40
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2019-20	5.16	-
Telangana Good & Service Tax Act, 2017	GST	Assistant Commissioner	FY 2017-18	16.83	16.83
Jammu and Kashmir Value Added Tax, 2005	Value Added Tax	Assessing Authority, state taxes officer	FY 2015-16	0.13	0.13
Maharashtra Value Added Tax	Value Added tax	Assessing Authority, state taxes officer	FY 2016-17	0.62	0.62
Maharashtra Value Added Tax	Value Added tax	Assessing Authority, state taxes officer	FY 2017-18	1.92	1.92
Karnataka Value Added Tax	Value Added tax	Assistant Commissioner, Commercial Tax	FY 2017-18	0.47	0.47
Haryana Value Added Tax	Value Added tax	Assessing Authority, Gurugram	FY 2015-16	1.63	1.63
Orissa Good & Service Tax Act, 2017	GST	CT & GST Authority, Bhubaneshwar	FY 2017-18	0.27	0.27
Tamilnadu Good & Service Tax Act, 2017	GST	Range 1 Superintendent	FY 2021-22	6.52	6.52

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) According to the information and explanation given to us, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the company

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) In our opinion, moneys raised by way of initial public offer during the year, have been, prima facie, applied by the Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.

(xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports

issued to the Company during the year and covering period up to March 31, 2022 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order is not applicable

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) 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 financial statements and 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 indicating 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) (a) and (xx) (b) of the Order is not applicable for the year.

**For Deloitte Haskins & sells LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

C Manish Muralidhar  
Partner

Place: Hyderabad  
Date: 07 May 2022

Membership No. 213649  
UDIN: 22213649AIOLOA2927

**Balance Sheet** AS AT MARCH 31, 2022

Particulars	Note No.	(Amount ₹ In Lakhs)	
		As at March 31, 2022	As at March 31, 2021
<b>A ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3 a	6,408.98	5,838.13
(b) Right-of-use assets	3 d	21,965.04	20,061.39
(c) Capital work-in-progress	4	873.89	858.49
(d) Intangible assets	3 b	35.93	51.27
(e) Financial assets			
(i) Bank balances other than Cash and cash equivalents	6 a	6.38	-
(ii) Other Financial Asset	6 b	2,389.55	2,365.70
(f) Deferred tax assets (net)	24 a	1,142.55	764.72
(g) Other non-current assets	7	614.22	434.07
<b>Total non - current assets</b>		<b>33,436.54</b>	<b>30,373.77</b>
<b>2. Current assets</b>			
(a) Inventories	8	16,591.92	8,094.46
(b) Financial assets			
(i) Investments	5	4,593.42	4,640.91
(ii) Trade receivables	9	6,020.54	4,713.90
(iii) Cash and cash equivalents	10 a	4,240.98	1,320.25
(iv) Bank balances other than (iii) above	10 b	6,335.81	2,648.29
(v) Other Financial Asset	6	1,116.44	711.40
(c) Current tax assets (net)	24 b	-	-
(d) Other current assets	7	2,785.75	2,333.65
<b>Total current assets</b>		<b>41,684.86</b>	<b>24,462.86</b>
<b>TOTAL ASSETS</b>		<b>75,121.40</b>	<b>54,836.63</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Share capital	11	5,400.90	7,899.49
(b) Other equity	12	38,439.85	20,394.33
<b>Total equity</b>		<b>43,840.75</b>	<b>28,293.82</b>
<b>2. Non-current liabilities</b>			
Financial liabilities			
(a) Lease Liabilities	15	17,766.82	21,731.78
(b) Provisions	13	292.83	210.52
<b>Total non-current liabilities</b>		<b>18,059.65</b>	<b>21,942.30</b>
<b>3. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	-	1,043.90
(ii) Lease liabilities	15	7,212.96	458.56
(iii) Trade payables	16 a		
-total outstanding dues of micro enterprises and small enterprises		14.41	17.37
-total outstanding dues of creditors other than micro enterprises and small enterprises.		1,753.18	1,055.68
(iv) Other financial liabilities	16 b	322.21	340.66
(b) Provisions	13	388.66	337.20
(c) Current tax liabilities (net)	24 b	466.13	182.34
(d) Other current liabilities	17	3,063.45	1,164.80
<b>Total current liabilities</b>		<b>13,221.00</b>	<b>4,600.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>75,121.40</b>	<b>54,836.63</b>
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

C Manish Muralidhar  
Partner  
Membership No 213649

For and on behalf of the Board of Directors  
Go Fashion (India) Limited {formerly known as Go Fashion (India) Private Limited}

Prakash Kumar Saraogi  
Director

R.Mohan  
Chief Financial Officer

Place : Chennai  
Date : May 07, 2022

Gautam Saraogi  
Director

Gayathri V  
Company Secretary

Place : Hyderabad  
Date : May 07, 2022

**Statement of Profit & Loss** FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	(Amount ₹ In Lakhs)	
		Year ended March 31, 2022	Year ended March 31, 2021
<b>1. Income</b>			
Revenue from operations	18	40,131.25	25,066.85
Other income	19	2,079.44	3,158.42
<b>Total Income</b>		<b>42,210.69</b>	<b>28,225.27</b>
<b>2. Expenses</b>			
Cost of materials consumed	20 a	12,027.72	4,889.75
Purchases of stock-in-trade	20 b	6,866.07	2,181.74
Changes in inventories of finished goods, work-in-progress and stock in trade	20 c	(5,345.17)	2,144.55
Subcontracting Charges	20 d	2,475.07	1,181.86
Employee benefit expense	21	7,306.26	6,148.67
Finance costs	22	2,332.67	2,056.87
Depreciation and amortisation expenses	3 c	6,860.67	6,049.88
Other expenses	23	4,899.76	3,885.40
<b>Total Expenses</b>		<b>37,423.05</b>	<b>28,538.72</b>
<b>3. Profit/(Loss) before tax (1 - 2)</b>		<b>4,787.64</b>	<b>(313.45)</b>
<b>4. Tax Expenses</b>			
Current tax	24 c	1,621.42	260.00
Tax related to earlier years	24 c	(10.11)	(10.10)
Deferred tax	24 c	(383.75)	(209.50)
<b>Total Tax Expenses</b>		<b>1,227.56</b>	<b>40.40</b>
<b>5. Profit/(Loss) after tax (3 - 4)</b>		<b>3,560.08</b>	<b>(353.85)</b>
<b>6. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
(i) Re-measurements of the defined benefit plans [(gain)/ loss]		(23.54)	(23.83)
(ii) Income tax relating to (i) above		5.92	6.00
<b>Total other comprehensive (income)/loss net of tax</b>		<b>(17.62)</b>	<b>(17.83)</b>
<b>7. Total comprehensive income/(loss) for the year (5 - 6)</b>		<b>3,577.70</b>	<b>(336.02)</b>
Earnings per equity share of ₹ 10 each (face value)			
(1) Basic	25	6.74	(0.68)
(2) Diluted	25	6.74	(0.68)
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

C Manish Muralidhar  
Partner  
Membership No 213649

For and on behalf of the Board of Directors  
Go Fashion (India) Limited {formerly known as Go Fashion (India) Private Limited}

Prakash Kumar Saraogi  
Director

R.Mohan  
Chief Financial Officer

Place : Chennai  
Date : May 07, 2022

Gautam Saraogi  
Director

Gayathri V  
Company Secretary

Place : Hyderabad  
Date : May 07, 2022



## Statement of Cash Flow FOR THE YEAR ENDED MARCH 31, 2022

(Amount ₹ In Lakhs)

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
<b>A. Cash flows from operating activities</b>		
Profit/(Loss) before tax for the year	4,787.64	(313.45)
Adjustments for:		
Depreciation of property, plant and equipment and amortisation of intangible assets	1,181.91	903.60
Property, Plant and Equipment Written off	219.20	259.48
Provision for inventory	450.99	311.40
Bad Debts and provision for expected credit loss	11.46	25.34
Interest on fixed deposits	(135.64)	(118.50)
Income from investment on Mutual Funds	(102.50)	(44.50)
Finance costs	1.93	11.47
Unrealized forex exchange loss (net)	-	-
Interest recognized on Lease Liability	2,277.25	2,028.96
Depreciation recognized on Lease Assets	5,678.75	5,146.28
Interest recognized on interest free lease deposits	(197.30)	(2,949.51)
Other Income from Lease Accounting	(1,622.35)	(2,552.39)
<b>Operating profit before working capital changes</b>	<b>12,551.34</b>	<b>2,708.18</b>
Working capital adjustments for:		
(Increase)/Decrease in Inventories	(8,948.44)	2,179.78
(Increase)/Decrease in Trade and other receivables	(1,318.10)	824.49
(Increase)/Decrease in Loans and advances and other assets	769.33	2,585.83
(Decrease)/ Increase in Trade payables and other current liabilities	1,213.99	694.23
(Decrease)/ Increase in Provisions	133.76	18.63
	(8,149.46)	6,302.96
<b>Cash generated from operations</b>	<b>4,401.88</b>	<b>9,011.14</b>
Income tax paid (net of refunds)	(1,100.00)	(3.17)
<b>Net cash flow from operating activities (A)</b>	<b>3,301.88</b>	<b>9,007.97</b>
<b>B. Cash flows from investing activities</b>		
Sale of Mutual Funds	9,927.47	5,606.50
Purchase of Mutual Funds	(9,800.00)	(9,344.45)
Purchase of Property, plant and equipment, intangible assets and capital work in progress (including capital advances and payables)	(1,985.76)	(1,025.64)
Proceeds from disposal of Property, Plant and Equipment	3.69	2.43
Bank deposits matured during the year	4,687.23	1,163.28
Bank deposits opened during the year	(8,381.14)	(569.20)
Interest received on fixed deposits	135.64	114.60
Security deposits placed during the year	(428.89)	(696.12)
<b>Net cash flow (used in) investing activities (B)</b>	<b>(5,841.76)</b>	<b>(4,748.60)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from fresh issue of equity shares (net of expenses)	11,871.04	-
Finance costs paid	(1.93)	(11.47)
Principal repayment of Lease Liability	(3,170.61)	(1,672.89)
Interest expense on Lease Rental discounting	(2,277.25)	(2,028.96)
Dividends and dividend distribution tax paid	(0.49)	(0.49)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>6,420.76</b>	<b>(3,713.81)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>3,880.88</b>	<b>545.56</b>

## Statement of Cash Flow FOR THE YEAR ENDED MARCH 31, 2022

(Amount ₹ In Lakhs)

Particulars	For the year ended March 31, 2022	For the Year ended March 31, 2021
Cash and cash equivalents at the beginning of the year	276.37	(269.19)
Cash and cash equivalents at the end of the year	4,157.25	276.37
<b>Reconciliation of cash and cash equivalents:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 10 a)*	4,240.98	1,320.26
Less: Cash credit from banks (Refer Note 14)	-	(1,043.90)
Less: Bank over draft	(83.73)	-
<b>TOTAL</b>	<b>4,157.25</b>	<b>276.37</b>
*Note: Includes ₹ 765.40 Lakhs and ₹ 30.07 Lakhs in IPO Public Escrow A/c and in IPO Monitoring A/c respectively, as at 31.03.2022 (Nil as at 31.03.2021)		
See accompanying notes forming part of the financial statements		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

**C Manish Muralidhar**  
Partner  
Membership No 213649

Place : Hyderabad  
Date : May 07, 2022

**For and on behalf of the Board of Directors**  
**Go Fashion (India) Limited {formerly known as Go Fashion (India) Private Limited}**

**Prakash Kumar Saraogi**  
Director

**Gautam Saraogi**  
Director

**R.Mohan**  
Chief Financial Officer

**Gayathri V**  
Company Secretary

Place : Chennai  
Date : May 07, 2022

## Statement of Changes in Equity FOR THE YEAR ENDED MARCH 31, 2022

## A. Share Capital

Equity share capital : (Amount ₹ In Lakhs)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
3,000.01	-	3,000.01	2,400.89	5,400.90

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year*	Balance as at March 31, 2021
3,000.01	-	3,000.01	-	3,000.01

0.01% Series A Compulsorily Convertible Cumulative preference shares :

(Amount ₹ In Lakhs)

Particulars	Amount
Balance as at April 1, 2021	2,499.62
Less: Converted to equity shares during the year*	(2,499.62)
Balance as at March 31, 2022	-

0.01% Series B Compulsorily Convertible Cumulative preference shares :

(Amount ₹ In Lakhs)

Particulars	Amount
Balance as at April 1, 2021	2,399.86
Less: Converted to equity shares during the year*	(2,399.86)
Balance as at March 31, 2022	-

## B. Other Equity

(Amount ₹ In Lakhs)

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at April 1, 2020	8,579.26	12,151.58	20,730.84
(Loss) for the year	-	(353.85)	(353.85)
Other comprehensive income (net of taxes)	-	17.83	17.83
Dividend	-	(0.49)	(0.49)
Balance as at April 1, 2021	8,579.26	11,815.07	20,394.33
Premium on shares issued during the year	12,318.84	-	12,318.84
Premium on conversion of Preference Shares into Equity Shares during the year	2,679.75	-	2,679.75
Share Issue Expense*	(530.28)	-	(530.28)
Profit for the year	-	3,560.08	3,560.08
Other comprehensive income (net of taxes)	-	17.62	17.62
Dividend	-	(0.49)	(0.49)
Balance as at March 31, 2022	23,047.57	15,392.28	38,439.85

Note: In accordance with the notification issued by Ministry of Corporate Affairs dated 24<sup>th</sup> March 2021, re-measurement of defined benefit plan shall be recognised as a part of retained earnings with separate disclosure of such item. Accordingly re-measurement of defined benefit plan has been disclosed as part of retained earnings.

\* Refer Note 11 (ii)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018

C Manish Muralidhar  
Partner  
Membership No 213649

Place : Hyderabad  
Date : May 07, 2022

For and on behalf of the Board of Directors  
Go Fashion (India) Limited {formerly known as Go Fashion (India) Private Limited}"

Prakash Kumar Saraogi  
Director

R.Mohan  
Chief Financial Officer

Place : Chennai  
Date : May 07, 2022

Gautam Saraogi  
Director

Gayathri V  
Company Secretary

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 1 General Background

Go Fashion (India) Limited {formerly known as Go Fashion (India) Private Limited} ("the Company") was incorporated on September 09, 2010. The Company's registered office is at New No.4, Old No. 144/2, 5th Floor, Sathak Center, Nungambakkam High Road, Chennai - 600 034, Tamilnadu, India. The Company is mainly engaged in the business of manufacture and sale of apparels for women and kids.

A fresh certificate of incorporation consequent to the change in name to Go Fashion (India) Limited was issued by the Registrar of Companies Chennai on July 12, 2021 under section 18 of the Companies Act, 2013 to give effect to the change in name of the Company. During the year ended March 31, 2022 the Company has completed the initial public offering through an offer for sale of equity shares by certain shareholders and by fresh issue of equity shares. The equity shares of the Company were listed on National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE') from November 30, 2021"

## 2 Significant accounting policies

## 2.1 Statement of compliance with Indian Accounting Standards (Ind AS's)

Ministry of Corporate Affairs ("MCA") notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per requirements for applicability, the Company would be required to apply Ind AS from financial year beginning 2019-20. However, the Company decided for voluntary adoption of Ind AS from the financial year beginning April 1, 2018. Accordingly, the financial statements of the Company were prepared in accordance with the Ind AS.

These financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

## 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain assets and liabilities which are measured at fair values at the end of each reporting period, as explained in the accounting policies below:-

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would consider those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 : Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 : Inputs are unobservable inputs for the asset or liability.

## 2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (i) Useful lives of Property, plant and equipment (Refer Note 2.9)
- (ii) Assets and obligations relating to employee benefits (Refer Note 2.7)
- (iii) Valuation and measurement of income taxes and deferred taxes (Refer Note 2.8)
- (iv) Valuation and measurement of Right to Use Assets and Liabilities (Refer Note 2.6)
- (v) Impairment of Assets (Refer Note 2.11)
- (vi) Valuation of Inventories (Refer Note 2.12)
- (vii) Impact of COVID 19 on the company"

### 2.4 Revenue recognition

Revenue from contract with customer is recognised, when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before revenue is recognised. Revenue is recognised as follows:

#### Sale of goods

##### Revenue from contracts with customers

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

##### Revenue from sale of products

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

##### Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its right to return assets and refund liabilities as required under Ind AS 115 in the financial statements.

##### Income from gift voucher

Gift voucher sales are recognised when the vouchers are redeemed, and the goods are sold to the customer."

#### Dividend and Interest Income

Dividend income from investments is recognised when the Company's right to receive payment has been established. Realised Gain from Redemption of Growth oriented mutual fund schemes are recognised in Profit and Loss Account upon receipt of redemption proceeds, and unrealised gain on Mark to Market re-statement of Mutual Funds are measured at

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

Fair Value through Profit and Loss Account as on the Balance Sheet closing date. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### 2.5 Foreign currencies

#### Determination of functional currency:

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (INR) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR)."

Transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such restatement is dealt with in the Statement of Profit and Loss.

### 2.6 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease
- (iii) the company has the right to direct the use of the asset.

#### The company as a lessee

At the commencement of the lease, the company recognises a right of use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (Short term lease) and low value leases. For those Short term and low value leases, the company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Ministry of Corporate Affairs (MCA) vide its notification dated June 18, 2021, has directed the companies to recognise the short term waivers received on account of Covid 19 pandemic, upto June '22, as other income in the Profit & Loss a/c."

### 2.7 Employee benefits

#### Defined contribution plan

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and Employee State Insurance, which are recognized in the statement of Profit and loss on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the service entitling them to the contributions.

The Company has no obligation, other than the contribution payable to the provident fund."

#### Retirement benefit costs and termination benefits

Liabilities for gratuity funded in terms of a scheme administered by the LIC are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

### 2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### Current tax

The tax currently payable is based on estimated taxable profit for the year. Estimated taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

### 2.9 Property, plant and equipment and Depreciation on Property, Plant and Equipment

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future economic benefits from such asset beyond its previously assessed standard of performance .

Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Estimated Useful Life of the various categories of Property, Plant & Equipment in Go Fashions are as below:

1. Plant & Machinery (SLM % 6.33 / 15 years)
2. Vehicles (SLM% 11.88 / 8 years)
3. Furniture (SLM% 9.50 / 10 years)
4. Office Equipments (SLM% 19 / 5 years)
5. Computers (SLM% 31.67 / 3 years)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. "

#### Capital work in progress

Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress. The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### 2.10 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets comprise of computers and are amortized on a straight line basis over their estimated useful lives of 3 years. The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

### 2.11 Impairment

#### Financial assets (other than fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

The Company applies simplified approach of expected credit loss model for recognising Impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition."

#### Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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.



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss."

### 2.12 Inventories

Items of inventory are valued at lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition and is net of taxes where applicable. Cost of raw materials, stores and spares, packing material and traded goods is determined on weighted average basis. In case of work-in-process and finished goods, cost includes the actual cost of conversion.

The Company considers the age and nature of the product to which inventory pertains for determining the net realisable value for slow moving and obsolete inventories. Such inventories are thereafter marked down to their estimated net realisable value, i.e. what the Company expects to realise from sale of such inventory. The Company makes provisions for slow moving and/ or obsolete stock, based on the analysis of inventories, past experience, current trend and future expectations, depending upon the category of goods. "

### 2.13 Provisions and Contingent liabilities

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity. "

### 2.14 Investment

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at fair value. Cost of investments include acquisition charges such as brokerage, fees and duties."

### 2.15 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability."

#### A) Financial assets

##### Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

### Financial assets at amortized cost

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

### Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through profit and loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

### Foreign exchange gains and losses

The fair value of foreign assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For the foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in statement of profit and loss.

## B) Financial liabilities and Equity

### Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process."

### Equity instruments

An equity instrument is contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the profit and loss."

### 2.16 Cash and cash equivalent

Cash comprises cash on hand, cheques and demand drafts on hand, balances with banks in current accounts / demand deposits. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

**2.17 Earnings per share (EPS)**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**2.18 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**2.19 Borrowing Cost**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which these occur.

**2.20 Recent Accounting Pronouncements**

**Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

**Standards that became effective during the year**

There are no new Standards that became effective during the year. Amendments that became effective during the year did not have any material effect.

Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022  
**3. Property, plant and equipment**

Particulars	(Amount ₹ In Lakhs)					(Amount ₹ In Lakhs)		
	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total Tangible Assets	Intangible assets	Total Intangible Assets
<b>(a) Cost</b>								
Balance as at 1 <sup>st</sup> April 2020	945.90	5,600.28	53.51	569.42	314.56	7,483.68	299.81	299.81
Additions	24.49	786.00	0.67	121.39	10.76	943.30	9.48	9.48
Disposal / Adjustments during the year	0.38	(397.04)	-	2.68	(0.11)	(394.08)	-	-
As at April 1, 2021	970.77	5,989.24	54.18	693.49	325.22	8,032.89	309.29	309.29
Additions	56.92	1,551.11	-	278.29	66.65	1,952.97	9.36	9.36
Disposal / Adjustments during the year	(6.88)	(359.49)	-	(16.67)	(8.10)	(391.14)	-	-
Balance as at March 31, 2022	1,020.81	7,180.86	54.18	955.11	383.77	9,594.73	318.65	318.65
<b>(b) Accumulated Depreciation and Amortisation</b>								
Balance as at 1 <sup>st</sup> April 2020	121.97	958.14	21.72	174.97	177.90	1,454.70	226.65	226.65
Depreciation and amortisation expense for the year	48.82	614.76	6.43	131.47	70.75	872.24	31.37	31.37
Disposal / Adjustments during the year	-	(128.48)	-	(3.66)	(0.04)	(132.18)	-	-
As at April 1, 2021	170.80	1,444.43	28.14	302.77	248.61	2,194.76	258.01	258.01
Depreciation and amortisation expense for the year	52.61	856.17	6.43	190.04	51.97	1,157.22	24.70	24.70
Disposal / Adjustments during the year	(3.02)	(141.53)	-	(13.89)	(7.78)	(166.22)	-	-
Balance as at March 31, 2022	220.39	2,159.07	34.57	478.92	292.80	3,185.76	282.72	282.72
Net carrying value as at March 31, 2022	800.42	5,021.79	19.61	476.19	90.97	6,408.98	35.93	35.93
Net carrying value as at March 31, 2021	799.97	4,544.81	26.04	390.71	76.60	5,838.13	51.27	51.27
Note: The movable Property, Plant and Equipment of the company are hypothecated as charge for the purpose of drawing Cash Credit facility with the Bank (Refer Note 14.1 & 14.2)								
<b>c) Depreciation and Amortisation expenses</b>						(Amount ₹ In Lakhs)		
Particulars						For the year ended March 31, 2022		As at March 31, 2021
Depreciation on Tangible assets (Refer Note 3 a)						1,157.21	872.24	
Amortization of Intangible assets (Refer Note 3 b)						24.70	31.37	
Depreciation on Lease Assets (Refer Note 3 d)						5,678.75	5,146.28	
Total						6,860.67	6,049.88	
<b>d) Right-of-use Assets</b>						(Amount ₹ In Lakhs)		
Particulars						As at March 31, 2022		As at March 31, 2021
Right-of-use assets (ROU) at the beginning of the year as per Ind AS 116						20,061.39	19,471.39	
Add: Addition during the year						8,995.58	6,567.66	
Less: Impact on Lease termination/modifications						1,413.18	831.38	
Less: Amortised during the year						5,678.75	5,146.28	
Total						21,965.04	20,061.39	

Refer Note 15 & Note 26



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 4. Capital work-in-progress

## c) Depreciation and Amortisation expenses (Amount ₹ In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Balance as at the beginning of the year	858.49	-	808.39	-
Add: Additions during the year	518.07	-	50.10	-
Less: Assets capitalised during the year	(502.67)	-	-	-
Balance as at the end of the year	873.89	-	858.49	-

Note: The above pertains to expenditure related to the opening of Exclusive Business Outlets ('EBO') stores of the Company and capital work in progress at Warehouse.

## Ageing details of Capital work-in-progress

## As at March 31, 2022 (Amount ₹ In Lakhs)

CWIP	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress - Stores	212.50	3.61	20.70	-	236.81
Projects in progress - Waewhouse	-	1.24	635.84	-	637.08
Grand Total	212.50	4.85	656.54	-	873.89

## As at March 31, 2021 (Amount ₹ In Lakhs)

CWIP	As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress - Stores	147.72	55.35	18.33	-	221.41
Projects in progress - Waewhouse	1.24	635.84	-	-	637.08
Grand Total	148.96	691.19	18.33	-	858.49

## Notes:

(a) The projects in progress - Warehouse amounting to ₹637.08 as at March 31, 2022 (₹637.08 as at March 31, 2021), represents capital expenditure incurred towards installation of Warehouse management system at Tiruppur. The installation work is in progress as at March 31, 2022.

(b) There are no projects which are under suspension. With regard to the above ongoing projects there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, and consequent amendments approved by the Board thereon.

## 5. Financial Assets - Investments

## (Amount ₹ In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
	A. Quoted (at Fair Value Through Profit and Loss)			
Investments in Mutual funds				
HDFC Liquid Fund - Direct Plan - Growth Option	2,272.71	-	2,320.54	-
54,309 units (As at March 31, 2021: 57,360 units)				
ICICI Prudential Liquid - Direct Plan - Growth Option	1,818.54	-	2,320.39	-
576,845 units (As at March 31, 2021: 761,440 units)				
Aditya Birla Sunlife Floating Rate Fund - Growth	201.39	-	-	-
72,466 units (As at 31 March 2021: Nil units)				
Kotak Equity Arbitrage - Growth	150.44	-	-	-
497,998 units (As at 31 March 2021: Nil units)				
Tata Arbitrage Fund - Regular Plan - Growth	150.34	-	-	-
12,86,074 units (As at 31 March 2021: Nil units)				
<b>Total Quoted Investments</b>	<b>4,593.42</b>	<b>-</b>	<b>4,640.92</b>	<b>-</b>

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 5. Financial Assets - Investments (Contd.)

## (Amount ₹ In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
<b>TOTAL INVESTMENTS CARRYING VALUE</b>	<b>4,593.42</b>	<b>-</b>	<b>4,640.92</b>	<b>-</b>
<b>Other disclosures</b>				
Cost of Investments	4,544.20	-	4,613.83	-
Aggregate value of quoted investments	4,593.42	-	4,640.91	-
Aggregate value of unquoted investments	-	-	-	-

## 6 a. Bank balances other than Cash and cash equivalents

## (Amount ₹ In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Margin Money Deposits*	-	-	6.38	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>6.38</b>	<b>-</b>

\* Fixed Deposit with maturity beyond twelve months from the Balance Sheet date

## 6 a. Bank balances other than Cash and cash equivalents

## (Amount ₹ In Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Current	Non- Current*	Non Current	Current	Non- Current*	Non Current
(a) Security Deposits - at amortised cost						
- Unsecured, considered good*	1,097.71	2,389.55	3,487.26	707.49	2,365.70	3,073.19
(b) Interest accrued but not due on fixed deposits	18.73	-	18.73	3.91	-	3.91
<b>TOTAL</b>	<b>1,116.44</b>	<b>2,389.55</b>	<b>3,505.99</b>	<b>711.40</b>	<b>2,365.70</b>	<b>3,077.10</b>

\* Note: Includes deposits with Meridian Global Ventures Private Limited amounting to ₹72 Lakhs (March 31, 2021: ₹72 Lakhs) (Refer Note 30)

## 7. Other Assets

## (Amount ₹ In Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Current	Non- Current*	Non Current	Current	Non- Current*	Non Current
(a) Advances for purchase of Property, Plant & Equipment	-	80.50	80.50	-	63.61	63.61
(b) Advances to suppliers	381.37	-	381.37	1,272.21	-	1,272.21
(c) Advances to employees	60.49	-	60.49	39.14	-	39.14
(d) Balances with government authorities (other than income taxes)*	2,070.40	-	2,070.40	787.87	-	787.87
(e) Amounts deposited with Income Tax Authorities paid under protest	-	15.00	15.00	-	15.00	15.00
(f) Prepayments						
Prepaid expenses	82.76	2.88	85.64	65.47	-	65.47
Prepaid rent	189.83	515.84	705.67	168.96	355.46	524.42
(g) Other Receivables	0.90	-	0.90	-	-	-
<b>TOTAL</b>	<b>2,785.75</b>	<b>614.22</b>	<b>3,399.97</b>	<b>2,333.65</b>	<b>434.07</b>	<b>2,767.72</b>

\* Note: Balance with government authorities relates to input credit entitlements and Goods and Service Tax (GST) balances and other balances with regulatory authorities.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 8. Inventories

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Raw materials	4,495.39	1,191.00
(b) Work-in-progress	1,472.44	480.25
(c) Finished goods*	6,490.87	4,116.45
(d) Finished goods (Stock-in-trade)	4,584.21	2,618.17
Less: Provision for Inventories	(450.99)	(311.40)
<b>TOTAL</b>	<b>16,591.92</b>	<b>8,094.46</b>

\* Note: Includes stocks in transit aggregating to ₹301.81 Lakhs as on March 31, 2022 (₹317.12 Lakhs as on March 31, 2021).

## Notes:

- Cost of Inventories pledged as security against current borrowings, details of which have been described in Note 14
- Provision made for slow moving inventories amounts to ₹450.99 Lakhs for March 31, 2022 (₹311.40 Lakhs for March 31, 2021)
- The inventories include ₹1,472.44 Lakhs which are lying with third parties as at March 31, 2022 (₹480.25 Lakhs for March 31, 2021)
- For mode of valuation of inventories refer Note 2.12 of Accounting Policies.

## 9. Trade Receivables

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Receivables outstanding for a period exceeding six months from the date they became due for payment</b>		
Unsecured, considered good	524.92	466.03
Unsecured, significant increase in credit risk	35.63	-
Less: Allowance for expected credit loss	(35.63)	(25.34)
(i)	524.92	440.69
<b>Other receivables</b>		
Unsecured, considered good	5,495.62	4,273.21
(ii)	5,495.62	4,273.21
<b>TOTAL (i+ii)</b>	<b>6,020.54</b>	<b>4,713.90</b>

9.1 Trade Receivables are hypothecated as Security for part of Cash Credit facilities (Refer Note 14.1 & 14.2). The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis and the Management has factored in the uncertainties arising out of COVID-19, as applicable. The fair values of Trade Receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become overdue. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at March 31, 2022 in ₹ Lakhs					Total
	< 6 months	6 months - 1 year	1- 2 years	2 - 3 years	> 3 years	
Undisputed Trade receivable - considered goods	5,495.62	451.48	73.44	-	-	6,020.54
Undisputed Trade receivable - which have significant increase in credit risk	-	33.86	1.77	-	-	35.63
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
Disputed Trade receivable - considered good						
Disputed Trade receivable - which have significant increase in credit risk						
Disputed Trade receivable - credit impaired	-	-	-	-	-	-
Grand total	5,495.62	485.34	75.21	-	-	6,056.17

Particulars	As at March 31, 2021 in ₹ Lakhs					Total
	< 6 months	6 months - 1 year	1- 2 years	2 - 3 years	> 3 years	
Undisputed Trade receivable - considered goods	4,273.21	283.21	157.48	-	-	4,713.90
Undisputed Trade receivable - which have significant increase in credit risk	-	10.08	15.26	-	-	25.34
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-
Disputed Trade receivable - considered good						
Disputed Trade receivable - which have significant increase in credit risk						
Disputed Trade receivable - credit impaired	-	-	-	-	-	-
Grand total	4,273.21	293.29	172.74	-	-	4,739.24

9.2 As per Ind AS 109, the Company uses the Expected Credit Loss (ECL) model to assess any required allowances; and uses a provision matrix to compute the ECL allowance for trade receivables. In calculating ECL, the company has also other related credit information for customers to estimate the probability of default in future and have taken into account estimates of possible effect from the COVID-19 pandemic.

## Movement in the expected credit loss allowance

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) As at the beginning of the year	25.34	-
(b) Provision made during the year	10.29	25.34
(c) Amounts utilised during the year	-	-
(d) As at the end of the year	35.63	25.34

## 10 a. Cash and cash equivalents

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Cash in hand	0.54	0.18
(b) Cash with Cash Collecting Agents	88.93	63.51
(c) Balances with banks in current accounts	1,464.45	1,216.05
(d) Balances with credit card companies	64.39	40.51
(e) Balances in Fixed Deposits with maturity less than or equal to three months	2,622.67	-
<b>TOTAL</b>	<b>4,240.98</b>	<b>1,320.25</b>



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 11.Share Capital

(Amount ₹ In Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Value (₹ In Lakhs)	No. of shares	Value (₹ In Lakhs)
<b>Authorised:</b>				
Equity shares of ₹10 each with voting rights	5,60,00,000	5,600.00	3,10,00,000	3,100.00
Preference shares of ₹100/- each	49,00,000	4,900.00	49,00,000	4,900.00
<b>Issued, Subscribed and fully Paid:</b>				
Equity shares of ₹10 each with voting rights	5,40,08,984	5,400.90	3,00,00,120	3,000.01
Preference shares 0.01% Series A Compulsorily Convertible Cumulative preference ('CCCP') shares of ₹100 each fully paid up (Refer Note ii below)	-	-	24,99,615	2,499.62
Preference shares 0.01% Series B Compulsorily Convertible Cumulative preference ('CCCP') shares of ₹100 each fully paid up (Refer Note ii below)	-	-	23,99,860	2,399.86
<b>Total</b>		5,400.90		7,899.49

(Amount ₹ In Lakhs)

Particulars	Equity Share Capital		Preference shares 0.01% Series A CCCP shares		Preference shares 0.01% Series B CCCP shares	
	As at March 31 2022	As at March 31, 2021	As at March 31 2022	As at March 31, 2021	As at March 31 2022	As at March 31, 2021
<b>Balance at the beginning of the current reporting year</b>	3,000.01	3,000.01	2,499.62	2,499.62	2,399.86	2,399.86
Changes in Share Capital due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-	-	-
Changes in share capital during the current year	2,400.89	-	(2,499.62)	-	(2,399.86)	-
<b>Balance at the end of the current reporting year</b>	5,400.90	3,000.01	-	2,499.62	-	2,399.86

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Value (₹ In Lakhs)	No. of shares	Value (₹ In Lakhs)
<b>Equity Shares with Voting rights</b>				
At the commencement of the year	3,00,00,120	3,000.01	3,00,00,120	3,000.01
Fresh Shares issued during the year (Refer Note 11 (ii))	18,11,594	181.16	-	-
Preference shares converted into equity shares during the year (Refer Note (ii))	2,21,97,270	2,219.73	-	-
<b>At the end of the year</b>	<b>5,40,08,984</b>	<b>5,400.90</b>	<b>3,00,00,120</b>	<b>3,000.01</b>
<b>0.01% series A Compulsorily Convertible Cumulative preference shares</b>				
At the commencement of the year	24,99,615	2,499.62	24,99,615	2,499.62
Shares converted to equity during the year (Refer Note 11 (ii))	(24,99,615)	(2,499.62)	-	-
At the end of the year	-	-	24,99,615	2,499.62
<b>0.01% series B Compulsorily Convertible Cumulative preference shares</b>				
At the commencement of the year	23,99,860	2,399.86	23,99,860	2,399.86
Shares converted to equity during the year (Refer Note 11 (ii))	(23,99,860)	(2,399.86)	-	-
At the end of the year	-	-	23,99,860	2,399.86

## (ii) Notes:

The Company in its meeting of the Board of Directors held on October 29, 2021, converted 24,99,615 Series A Compulsorily Convertible Preference shares and 23,99,860 Series B Compulsorily Convertible Preference shares into 1,49,97,690 and 71,99,580 equity shares of ₹10 each respectively at face value.

The Company's equity shares were listed on the National Stock Exchange ("NSE") and on the BSE Limited ("BSE") on November 30, 2021, by completing the Initial Public Offering (IPO) of 1,46,89,983 equity Shares of face value of ₹10 each at an issue price of ₹690 per equity share, consisting of an offer for sale of 1,28,78,389 equity shares by the selling shareholders and fresh issue of shares of 18,11,594 equity shares. The Company's share of public issue expense amounting to ₹530.28 Lakhs has been adjusted in Securities Premium a/c.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

(iii) Details of shares held by Promoters and the details of each shareholder holding more than 5% shares:

(Amount ₹ In Lakhs)

Class of shares / Name of shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% holding in that class of shares	% Changed during the year	No. of shares held	% holding in that class of shares	% Changed during the year
Promoters						
Equity shares of ₹10 each with voting rights						
(a) Prakash kumar Saraogi	60	0.0001	-	60	0.0001	-
(b) Rahul Saraogi (Refer Note Below)	60	0.0001	-	60	0.0002	-
(c) Gautam Saraogi (Refer Note Below)	60	0.0001	-	60	0.0002	-
(d) VKS Family Trust	1,42,54,204	26.39	-4.97%	1,49,99,880	49.99	-
(e) PKS Family Trust	1,42,54,204	26.39	-4.97%	1,49,99,880	49.99	-
Other than Promoters more than 5% holding						
Equity Shares						
Sequoia Capital	74,98,875	13.88	-	-	-	-
SBI Balanced Advantage Fund	34,00,291	6.30	-	-	-	-
Axis Long Term Equity Fund	32,96,007	6.10	-	-	-	-
0.01% Series A Compulsorily Convertible Cumulative Preference shares of Rs 100 each fully paid up						
(a) Sequoia Capital India Investments IV	-	-	-	24,99,615	100.00	-
0.01% Series B Compulsorily Convertible Cumulative Preference shares of Rs 100 each fully paid up						
(a) India Advantage Fund S4 I	-	-	-	22,07,634	91.99	-
(b) Dynamic India Fund S4 US I	-	-	-	1,92,226	8.01	-

Notes:

- Promoters mentioned above is as per Companies Act, 2013
- PKS family trust shares are reflected in managing trustee Gautam Saraogi's name and VKS Family Trust shares are reflected in managing trustee Rahul Saraogi's name.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 12. Other equity

(Amount ₹ In Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Securities premium</b>		
Opening balance	8,579.26	8,579.26
Add: Premium on shares issued during the year	12,318.84	-
Add: Premium on conversion of Preference Shares into Equity Shares during the year	2,679.75	
Less: Share Issue Expense (Refer Note 11 (ii))	(530.28)	
Closing balance	23,047.57	8,579.26
<b>Retained Earning</b>		
Balance at the beginning of the year	11,815.07	12,151.58
Add: Transfer from the statement of Profit & Loss	3,560.08	(353.85)
Add/ (Less): Remeasurements of defined benefit obligations	17.62	17.83
Less : Preference Dividend	(0.49)	(0.49)
Closing balance	15,392.28	11,815.07
<b>Total Reserves and Surplus</b>	<b>38,439.85</b>	<b>20,394.33</b>

Notes:

- Securities premium account is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.
- Retained earnings represent the amount of accumulated earnings / deficit of the Company, and re-measurement gains/ losses on defined benefit plans. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.
- In accordance with the notification issued by Ministry of Corporate Affairs dated 24-Mar-2021, re-measurement of defined benefit plan shall be recognised as a part of retained earnings with separate disclosure of such item. Accordingly re-measurement of defined benefit plan has been disclosed as part of retained earnings.

## 13. Provisions

(Amount ₹ In Lakhs)

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	Current	Non- Current	Current	Non- Current
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer Note 32 & Note below)	-	292.83	-	210.52
<b>Other Customer Provisions</b>				
Provision for Sales Return on stock lying with LFS Partner	88.96		129.14	
Provision for Discount on stock lying with LFS Partner	299.70		208.06	
<b>TOTAL</b>	<b>388.66</b>	<b>292.83</b>	<b>337.20</b>	<b>210.52</b>



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

Movements in Other Customer Provisions (Amount ₹ In Lakhs)		
Particulars	Provision for Sales return	Provision for Discount
Opening balance as on April 1, 2021	129.14	208.06
Add: Provision made during the year	88.96	299.70
Less: Provision utilised during the year	(129.14)	(208.06)
<b>Closing balance as on March 31, 2022</b>	<b>88.96</b>	<b>299.70</b>

## 14. Financial Liabilities - Borrowings (Current)

(Amount ₹ In Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Secured Borrowings</b>		
Cash credit from Banks (Refer Note below)	-	1,043.90
Current account - overdraft	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,043.90</b>

## Notes:

14.1 The cash credit facility from Ratnakar Bank Limited comprising of ₹3,500 Lakhs (March 31, 2021: ₹3,500 Lakhs) & from ICICI Bank for ₹3,000 Lakhs (March 31, 2021: ₹3,000), has been obtained for the purpose of working capital. The facility has been availed for a tenure of 12 months, and is repayable on demand.

14.2 The facility is secured by way of an exclusive charge on the entire current assets and movable property, plant and equipment of the company, both present and future, and an unconditional and irrevocable personal guarantee of Mr. Prakash Saraogi, Mr. Gautam Saraogi and Mr. Rahul Saraogi.

14.3 As at March 31, 2022 Interest is charged at 0.30% above 1 year MCLR on a monthly basis in case of RBL Bank and at 1.50% above 6 month MCLR in case of ICICI Bank.

14.4 The cash credit availed has been utilised to meet the Working Capital requirements of the company.

14.5 The following is the summary of the differences between Current Asset declared with the Bank and as per Audited financial statements:

(Amount ₹ In Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Inventories as per declaration with Bank	17,042.91	8,159.90
Trade Receivable as per declaration with Bank	6,056.17	6,976.20
<b>Total (A)</b>	<b>23,099.08</b>	<b>15,136.10</b>
Inventories as per financial statement	17,042.91	8,405.87
Trade Receivable as per financial statement	6,056.17	4,739.24
<b>Total (B)</b>	<b>23,099.08</b>	<b>13,145.11</b>
<b>Difference (A)-(B)</b>	<b>-</b>	<b>1,990.99</b>

"Note: The aforesaid difference for the year ended 31.03.2021, are due to the declarations with Banks are made before financial reporting closure process. The predominant reason for inventory being higher in

financial statements is because of reversal of sales as part of year end cut-off procedure, leading to COGS reversal. Similarly with respect to trade receivable, reversal of sales as part of year end audit cut-off procedure and discount and other expense provision has lead to lower trade receivables in the financial statements."

14.6 The Company does not have any charges or satisfaction of charge which is yet to be registered with the Registrar of Companies beyond the statutory period.

14.7 The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 15. Lease Liabilities

(Amount ₹ In Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability as at the beginning of the year	22,190.34	20,679.34
Add: Addition during the year	8,995.58	6,567.66
Less: Impact on Lease termination/modification	1,573.58	950.66
Less: Lease Payments	6,909.81	6,134.95
Add: Finance cost on Lease Liability	2,277.25	2,028.96
<b>Lease Liability as at the end of the year</b>	<b>24,979.78</b>	<b>22,190.34</b>
Current Lease Liability	7,212.96	458.56
<b>Non-Current Lease Liability</b>	<b>17,766.82</b>	<b>21,731.78</b>

Also refer Note 3 d & Note 26

## 16 a. Trade Payables

(Amount ₹ In Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Dues of Micro Enterprises and Small Enterprises</b>	<b>14.41</b>	<b>17.37</b>
Dues of creditors other than Micro Enterprises and Small Enterprises	1,753.18	1,055.68
<b>TOTAL</b>	<b>1,767.59</b>	<b>1,073.05</b>

## 16 a.1 Trade Payable Due for Payment

Particulars	As at March 31, 2022, from due date of payment in ₹ Lakhs					As at March 31, 2021, from due date of payment in ₹ Lakhs				
	Less than 1 year	1 -2 years	2- 3 years	More than 3 years	Total	Less than 1 year	1 -2 years	2- 3 years	More than 3 years	Total
MSME	14.41	-	-	-	14.41	17.37	-	-	-	17.37
Others	1,751.14	2.04	-	-	1,753.18	1,055.42	0.26	-	-	1,055.68
<b>Grand Total</b>	<b>1,765.55</b>	<b>2.04</b>	<b>-</b>	<b>-</b>	<b>1,767.59</b>	<b>1,072.79</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>1,073.05</b>

16 a.2 The Company has financial risk management policies in place to ensure that all the payable are paid within the pre-agreed credit terms.

## 16 b. Other Financial Liabilities (Current)

(Amount ₹ In Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Other Financial Liabilities at Amortised Cost</b>		
(a) Security Deposits	111.32	102.82
(b) Payables for Purchase of Property, Plant and Equipment	144.06	178.33
(c) Retention Money Payable	66.83	59.51
<b>TOTAL</b>	<b>322.21</b>	<b>340.66</b>

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 17. Other Current Liabilities

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Current account - overdraft	83.73	-
(b) Statutory dues payable	260.53	124.43
(c) Employee benefits payable	517.55	434.30
(d) Other payables*	2,201.64	606.07
<b>TOTAL</b>	<b>3,063.45</b>	<b>1,164.80</b>

\*Note: Includes payable towards IPO expenses Rs 564.42 Lakhs (March 31, 2021: ₹ Nil), payable to selling share holders ₹701.44 Lakhs (March 31, 2021: ₹ Nil) and balance towards other expenses

## 18. Revenue from Operations

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sale of Products</b>		
Retail Sales	40,958.04	26,919.38
Less: Discounts provided during the year	(809.48)	(1,724.51)
Less: Gift Vouchers availed during the year	(171.04)	(191.93)
<b>Total - Sale of Products</b>	<b>39,977.52</b>	<b>25,002.95</b>
<b>Other Operating Revenue</b>		
Scrap sales	153.73	63.90
<b>Total - Other operating revenues</b>	<b>153.73</b>	<b>63.90</b>
<b>Total Revenue from operations</b>	<b>40,131.25</b>	<b>25,066.85</b>

## 18.1 Disaggregated revenue information

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sales Channels</b>		
Exclusive Brand Outlets ('EBO')	29,255.12	17,276.16
Large Format Stores ('LFS')	8,099.07	5,515.85
Online, Distributer, and Others including Franchisee	2,623.33	2,210.94
<b>Total Revenue from operations</b>	<b>39,977.52</b>	<b>25,002.95</b>

## 18.2 Disaggregated revenue information

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sales Channels</b>		
Revenue from retail operations	29,255.12	17,276.16
Revenue from other than retail operations	10,722.40	7,726.79
<b>Total Revenue from operations</b>	<b>39,977.52</b>	<b>25,002.95</b>

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 19. Other income

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Income on financial assets:		
- Bank deposits	135.64	118.51
- Gain arising from rent concession/early termination of lease agreements (Refer Note 26)	1,622.35	2,552.39
- Security deposits measured at amortised cost	197.30	397.12
- On investments in mutual funds:		
Realised Gain on redemption	79.97	17.42
Unrealised Gain on FVTPL	22.53	27.08
(b) Interest Income on Income Tax Refund	-	12.99
(c) Net Gain on Foreign Exchange Transactions	-	22.39
(c) Gain on sale of Property, plant and equipment (Net)	0.76	-
(d) Miscellaneous Income	20.89	10.52
<b>TOTAL</b>	<b>2,079.44</b>	<b>3,158.42</b>

## 20 a. Cost of materials consumed

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock of raw materials	1,191.00	1,716.03
Add: Purchases	15,332.11	4,364.71
	16,523.11	6,080.75
Less: Closing stock of raw materials	(4,495.39)	(1,191.00)
<b>Cost of materials consumed</b>	<b>12,027.72</b>	<b>4,889.75</b>
<b>Breakup of cost of material consumed:</b>		
Fabric	10,559.86	4,191.11
Accessories	871.95	482.42
Packing Materials	247.79	157.26
Yarn	348.12	58.96
	<b>12,027.72</b>	<b>4,889.75</b>

## 20 b. Purchases of stock-in-trade

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Garments	6,866.07	2,181.74
<b>TOTAL</b>	<b>6,866.07</b>	<b>2,181.74</b>



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 20 c. Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount ₹ In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Opening Stock</b>		
Work-in-progress	480.25	646.50
Finished goods and stock-in-trade	6,423.22	8,401.51
	6,903.47	9,048.01
<b>Closing Stock</b>		
Work-in-progress	1,472.44	480.25
Finished goods and stock-in-trade	10,776.20	6,423.22
	12,248.64	6,903.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5,345.17)	2,144.55

## 20 d. Subcontracting Charges

(Amount ₹ In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Subcontracting and Sample making Charges	2,475.07	1,181.86
<b>TOTAL</b>	<b>2,475.07</b>	<b>1,181.86</b>

## 21. Employee benefit expenses

(Amount ₹ In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries, Wages and Bonus	6,797.12	5,729.75
(b) Contribution to provident and other funds	198.04	151.83
(c) Gratuity expenses	120.85	104.28
(d) Staff welfare expenses	190.25	162.80
<b>TOTAL</b>	<b>7,306.26</b>	<b>6,148.67</b>

Also refer Note 32

## 22. Finance costs

(Amount ₹ In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on cash credit facility	1.93	11.47
Interest expense on Lease Rental discounting	2,277.25	2,028.96
Interest on Delayed Payment of Income Tax	53.49	16.45
<b>TOTAL</b>	<b>2,332.67</b>	<b>2,056.87</b>

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 23. Other expenses

(Amount ₹ In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power & fuel	520.74	419.55
Sales Promotion Expenses	913.92	636.14
Freight and handling charges	525.78	417.19
Rent	900.79	655.68
Repairs and maintenance :		
- Buildings	611.61	488.71
- Machinery	1.13	1.33
- Others	215.01	175.26
Communication expenses	66.21	70.78
Printing and stationery	29.35	26.51
Travelling and conveyance	116.13	87.54
Rates and taxes	76.65	66.84
Legal and professional charges	157.38	88.23
Payment to auditor (Refer note below)	34.00	16.48
Expenditure on corporate social responsibility (CSR) (Refer Note 29)	76.85	168.06
Cash collection charges	94.77	89.93
Net loss on Foreign Exchange Transactions	19.80	-
Bank charges	171.98	113.44
Property, Plant and Equipment written off	219.20	259.48
Provision for expected credit impairments (refer note below)	10.29	25.34
Bad Debts written off	1.17	-
Miscellaneous expenses	137.01	78.90
<b>TOTAL</b>	<b>4,899.76</b>	<b>3,885.40</b>

(Amount ₹ In Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Payments to Auditors*</b>		
Statutory audit fees	25.00	16.48
Limited Review fees	4.00	-
Certification Fees	5.00	-
<b>TOTAL</b>	<b>34.00</b>	<b>16.48</b>

\*Note: For the year ended 31.03.2022, the company has paid ₹175.00 Lakhs towards IPO services and the company's share of expense has been netted off in Securities Premium a/c and the selling share holders share of expense has been adjusted against Other Payable. Hence it is not forming part of the expenditure above.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 24 a Deferred tax assets and liabilities (net)

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	1,142.55	764.72
Deferred tax liabilities	-	-
<b>Net deferred tax asset/ (liability)</b>	<b>1,142.55</b>	<b>764.72</b>

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liability</b>		
a) Property, plant and equipment and Intangible assets	-	-
<b>Gross deferred tax liability</b>	<b>-</b>	<b>-</b>
<b>Deferred tax asset</b>		
a) Property, plant and equipment and Intangible assets	258.12	127.23
b) Employee benefits	116.65	87.44
c) Preliminary expenses disallowed	-	7.82
d) Provision for Bad debts	8.97	6.38
e) Right to use asset	758.81	535.86
<b>Gross deferred tax asset</b>	<b>1,142.55</b>	<b>764.72</b>
<b>Net deferred tax asset/ (liability) (net)</b>	<b>1,142.55</b>	<b>764.72</b>

## 24 b Current tax assets and liabilities (net)

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for taxation	1,593.88	195.36
Less: Taxes paid	(1,127.75)	(13.03)
<b>Net (current tax asset)/ current tax liability</b>	<b>466.13</b>	<b>182.34</b>

## 24 c Current tax and deferred tax expense recognised in statement of profit and loss

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current Tax</b>		
- in respect of current year	1,621.42	260.00
- in respect of prior years	(10.11)	(10.10)
<b>Deferred Tax</b>		
Temporary differences recognised as DTA	(383.75)	(209.49)
<b>TOTAL</b>	<b>1,227.56</b>	<b>40.41</b>
<b>Deferred Tax</b>		
Provision for Employee Benefits	(29.21)	(17.83)
Difference between book balance and tax balance of Property, plant and equipment	(130.89)	(89.13)
Bad debts	(2.59)	(6.38)
Right to use asset	(222.95)	(98.01)
Preliminary expenses allowed	7.82	7.85
	(377.83)	(203.50)
Less: Income tax recognized on other comprehensive income	(5.92)	(6.00)
<b>TOTAL</b>	<b>(383.75)</b>	<b>(209.49)</b>

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 24 d Reconciliation of Effective Tax Rate

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	4,787.64	(313.45)
Tax using Domestic tax rate (Current year: 25.168% and Previous year: 25.168%)	1,204.95	(78.89)
<b>Tax effect of</b>		
Income tax at different rate	-	-
Expenses that are not deductible in determining taxable provision	19.34	42.30
Temporary differences recognised as DTA	-	-
Tax - exempt income	-	-
Other Comprehensive income	(5.92)	(6.00)
Deductible Notional Income	(5.67)	(6.82)
Benefits under Chapter VIA	(33.45)	(58.93)
Others	58.41	158.84
<b>Tax paid pertaining to the previous years</b>	<b>(10.11)</b>	<b>(10.10)</b>
	1,227.56	40.40

## 24 e Movement of Deferred tax assets and liabilities (net)

2021-22	(Amount ₹ In Lakhs)			
	Opening balance	Recognised in profit & loss	Recognised in Other Comprehensive Income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Property, Plant and Equipment	127.23	130.89		258.12
Bad debts	6.38	2.59		8.97
Employee benefits	87.44	23.29	5.92	116.65
Preliminary Expenses disallowed	7.82	(7.82)		-
Right to use asset	535.86	222.95		758.81
<b>Net deferred tax asset/ (liability)</b>	<b>764.72</b>	<b>371.91</b>	<b>5.92</b>	<b>1,142.55</b>

2020-21	(Amount ₹ In Lakhs)			
	Opening balance	Recognised in profit & loss	Recognised in Other Comprehensive Income	Closing balance
Deferred tax assets / (liabilities) in relation to				
Property, Plant and Equipment	38.09	89.13		127.23
Bad debts	-	6.38		6.38
Employee benefits	69.61	11.83	6.00	87.44
Preliminary Expenses disallowed	15.67	(7.85)		7.82
Right to use asset	437.85	98.01		535.86
<b>Net deferred tax asset/ (liability)</b>	<b>561.22</b>	<b>197.50</b>	<b>6.00</b>	<b>764.72</b>



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 25. Earnings per share has been computed as under:

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Profit after Tax - (₹ In Lakhs)	3,560.08	(353.85)
Less: Preference dividend - (₹ In Lakhs)	(0.49)	(0.49)
Less: Dividend distribution tax on the above - (₹ In Lakhs)	-	-
Profit after Tax attributable for Equity share holders - (₹ In Lakhs)	3,559.59	(354.34)
Earnings per share – Basic (₹)	6.74	(0.68)
Earnings per share – Diluted (₹)	6.74	(0.68)
Face Value of Equity Shares (₹)	10.00	10.00

Note:

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Weighted average number of equity shares for Basic EPS (No's)	5,28,22,762	5,21,97,390
Weighted average number of equity shares for Diluted EPS (No's)	5,28,22,762	5,21,97,390

For the year ended 31.03.2021, Earnings Per Share has been re-stated in accordance with Indian Accounting Standard 33, to include the impact of Compulsorily Convertible Cumulative Preference Shares Outstanding as on the respective Balance Sheet Date, which is convertible at a fixed number of shares. There is no change in the Diluted number of shares with this effect.

## 26. Leases

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Operating lease commitment as lessee</b>		
Expenses recognized in the statement of profit and loss		
a) Minimum lease payments	5,550.38	3,782.85
b) Contingent rent*	475.15	224.37
<b>Total</b>	<b>6,025.53</b>	<b>4,007.22</b>
*Note: Variable rent for certain stores is payable in accordance with the lease agreement as the higher of:		
(a) fixed minimum guarantee amount		
(b) revenue share percentage		

Agreements with a non-cancellable clause are executed for periods ranging from 6 to 108 months and with cancellable clause ranging from 7 to 108 months.

c) The future minimum rental payments in respect of leased premises/Contractual maturities of lease liabilities excluding interest thereon on an undiscounted basis are as follows:

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Not later than one year	7,212.96	6,185.04
Later than one year and not later than five years	19,910.02	19,786.48
Later than five years	4,488.66	2,168.76

Gains arising from rent concession and early termination of lease arrangements:

The company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per Ind AS 116. Consequently, the remaining amount of unadjusted lease value as per Ind AS 116 computation has been credited to Other income from lease accounting on IND AS 116, it amounts to ₹1461.94 Lakhs in the Current Financial Year (31 March 2021: ₹2,433.11 Lakhs).

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

During the period the company has also recognised ₹160.41 Lakhs (31 March 2021: ₹119.28 Lakhs), as Other income from lease accounting on IND AS 116, arising out of difference between the closing lease asset & liability value, on account of short closure of lease agreements.

The Company has discounted lease payments using the applicable incremental borrowing rate of 9% for measuring the lease liability.

## 27. Contingent liabilities and commitments

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(i) Contingent liabilities</b>		
a) Claims against the company not acknowledged as debts		
- Income Tax - AY 17-18	74.39	74.39
- Income Tax - AY 18-19	23.89	26.28
- Income Tax - AY 19-20	5.16	5.16
- Value Added Tax, J&K FY 15-16	0.13	0.13
- Value Added Tax, Maharashtra FY 16-17	0.62	0.62
- Value Added Tax, Maharashtra FY 17-18	1.92	1.92
- Value Added Tax, Karnataka FY 17-18	0.47	-
- Value Added Tax, Harayana FY 16-17	1.63	-
- Telangana GST - FY 2017-18	16.83	8.36
- Orissa GST - FY 2017-18	0.27	-
- Tamilnadu GST - FY 2018-19	6.52	-
	131.84	116.86
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	121.45	123.33
Less: Capital Advances paid	80.50	63.61
Net Capital Commitments	40.94	59.72
<b>TOTAL</b>	<b>172.78</b>	<b>176.58</b>

(i) Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities. Management is hopeful of successful outcome in the appellate proceedings.

## 28 Disclosures required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	14.41	17.37
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
"The amount of further interest due and payable even in the succeeding year, 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."	-	-

Note: The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 29 Corporate Social Responsibility (CSR)

Particulars	(Amount ₹ In Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 (on annual basis)	76.85	99.82
(ii) Amount spent during the year:		
(A) In cash -		
(i) Construction/acquisition of any asset -	-	-
(ii) On purposes other than (i) above:		
- Promoting preventive health care	3.29	-
- Promoting education	72.56	161.75
- Women Empowerment / Health & Hygiene	1.00	-
- Conservation of natural resources and other allied areas	-	6.31
(iii) Shortfall at the end of the year: Nil		
(iv) Total of previous years shortfall: Nil		
(v) Reason for shortfall: NA		
(vi) Nature of CSR activities:		
The CSR activity focus areas are Promoting preventive health care, Education, women empowerment/Health & Hygiene, Conservation of natural resources and other allied areas.		
(vii) Details of related party transactions in CSR: Nil		
(viii) Movements during the year for provision made with respect to a liability incurred by entering into a contractual obligation: NA		

## 30 Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24

## a) List of Related Parties and Relationships

Relationship	Related Party
Key Management Personnel	Mr. Prakash Kumar Saraogi, Director Mr. Gautam Saraogi, Director Mohan R, Chief Financial Officer
Relatives of ('KMP')	Mr. Rahul Saraogi Ms. Usha Saraogi Ms. Anita Rasiwasia Ms. Pushpa Saraogi Ms. Neha Garodia Ms. Ruchita Saraogi
Entities in which KMP / Relatives of KMP can exercise significant influence	Meridian Investments, Firm Meridian Global Ventures Private Limited (formerly Meridian Apparels Private Limited)

Note: Related Parties relationships are as identified by the management and relied upon by the auditors.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 30 Disclosure in respect of Related Parties pursuant to Indian Accounting Standard 24

## b) Related Party transactions

Particulars	(Amount ₹ In Lakhs)			
	Key Management Personnel and their Relatives		Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Transactions during the year:</b>				
<b>Remuneration of KMP:</b>				
Short Term Employee Benefits:				
Prakash Kumar Saraogi	120.71	86.83	-	-
Gautam Saraogi	76.18	34.73	-	-
Mohan R - Chief Financial Officer	131.40	113.86	-	-
<b>Advance Given :</b>				
Meridian Global Ventures Private Limited	-	-	-	2,210.00
<b>Refund of Advance :</b>				
Meridian Global Ventures Private Limited	-	-	-	2,210.00
<b>Rent &amp; Other Expense:</b>				
Meridian Global Ventures Private Limited	-	-	199.27	185.84
<b>Reimbursement of Expenses received:</b>				
Meridian Global Ventures Private Limited	-	-	0.09	1.26

Particulars	(Amount ₹ In Lakhs)			
	Key Management Personnel and their Relatives		Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Outstanding as at Year end:</b>				
<b>Security deposit :</b>				
Meridian Global Ventures Private Limited	-	-	72.00	72.00
<b>Trade Receivable:</b>				
Meridian Global Ventures Private Limited	-	-	-	-



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 31 Financial Instruments

## A) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development 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.

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Total equity attributable to the equity shareholders of the company	43,840.75	28,293.82
As a percentage of total capital	100%	96%
Current borrowings	-	1,043.90
As a percentage of total capital	0%	4%
<b>Total Capital</b>	<b>43,840.75</b>	<b>29,337.71</b>

The Company is predominantly financed through Equity, which is evident from the capital structure table. There is no change in the overall capital risk management strategy of the Company compared to last year.

## B) Categories of financial instruments

The carrying value of the financial instruments by categories as on March 31, 2022 and March 31, 2021 is as follows:

Particulars	(Amount ₹ In Lakhs)			
	Carrying amount		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>				
<b>a) Measured at fair value through profit and loss</b>				
Investments in Mutual Funds	4,593.42	4,640.91	4,593.42	4,640.91
<b>b) Measured at amortised cost</b>				
Other Financial Assets	3,505.99	3,077.10	3,505.99	3,077.10
Trade receivables	6,020.54	4,713.90	6,020.54	4,713.90
Cash and cash equivalents	4,240.98	1,320.25	4,240.98	1,320.25
Bank balance other than cash and cash equivalents	6,342.19	2,648.29	6,342.19	2,648.29
<b>Total</b>	<b>24,703.12</b>	<b>16,400.46</b>	<b>24,703.12</b>	<b>16,400.46</b>
<b>Financial liabilities</b>				
<b>a) Measured at amortised cost</b>				
Borrowings	-	1,043.90	-	1,043.90
Lease Liabilities	24,979.78	22,190.34	24,979.78	22,190.34
Trade payables	1,767.59	1,073.05	1,767.59	1,073.05
Other financial liabilities	322.21	340.66	322.21	340.66
<b>Total</b>	<b>27,069.58</b>	<b>24,647.95</b>	<b>27,069.58</b>	<b>24,647.95</b>

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:

- The Company has disclosed financial instruments such as comprise of borrowings, trade payable, and other current liabilities, loans, trade receivable, cash and cash equivalents and bank balances other than cash and cash equivalents at carrying value because their carrying values are a reasonable approximation of the fair values due to their short term nature.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## C) Financial Risk Management

The Company's principal financial liabilities, comprise of borrowings, trade payable and other financial liabilities.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors.

This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and Company's risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

## (a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31 March, 2022. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022.

## i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

## Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant. The impact on the profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	(Amount ₹ In Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	Amount in FC	Amount in INR	Amount in FC	Amount in INR
<b>Liabilities</b>				
<b>Trade Payables</b>				
USD	0.73	55.12	0.00	0.26
<b>Assets</b>				
<b>Advance paid to supplier</b>				
USD	3.05	229.39	1.53	111.96
<b>Net Assets</b>		<b>174.27</b>		<b>111.70</b>

## Sensitivity

Impact on profit before tax and equity	(Amount ₹ In Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	8.80	(8.80)	5.59	(5.59)

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of interest bearing cash credit facility; however these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation. Moreover, the cash credit facility is used to facilitate the cash flow movement of the Company during the year, and the Company prefers to generally maintain a positive balance, hence controlling the interest costs pertaining to the cash credit facility.

## (b) Credit Risk :

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

## i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, as a majority of its trade receivable balance is receivable from Large Format Stores('LFS'), who are well established business entities, and have been regular in their payments over the history of the business.

## ii) Financial instruments and cash &amp; bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Non-current assets</b>		
- Bank balances other than cash and cash equivalents	6.38	-
- Other Financial Asset	2,389.55	2,365.70
<b>Current assets</b>		
- Investments	4,593.42	4,640.91
- Trade receivables	6,020.54	4,713.90
- Cash and cash equivalents	4,240.98	1,320.25
- Bank balances other than cash and cash equivalents	6,335.81	2,648.29
- Other Financial Asset	1,116.44	711.40
<b>Total</b>	<b>24,703.12</b>	<b>16,400.46</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

The ageing analysis and Provision for bad and doubtful debts of trade receivables given below has been considered from the date the invoice falls due:

Particulars	(Amount ₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Not Due		
Due from 0 to 180 days	5,495.62	4,273.21
Due from more than 180 days	560.55	466.03
Less: Provision for Doubtful debts	(35.63)	(25.34)
<b>Total</b>	<b>6,020.54</b>	<b>4,713.90</b>

## (c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term investments and a cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

## Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	(Amount ₹ In Lakhs)	
		Less than 1 year	1 to 5 years
<b>As at March 31, 2022</b>			
Borrowings	-	-	-
Lease Liabilities	24,979.78	7,212.96	17,766.82
Trade payables	1,767.59	1,767.59	-
Other financial liabilities	322.21	322.21	-
<b>Total</b>	<b>27,069.58</b>	<b>9,302.76</b>	<b>17,766.82</b>
<b>As at March 31, 2021</b>			
Borrowings	1,043.90	1,043.90	-
Lease Liabilities	22,190.34	458.56	21,731.78
Trade payables	1,073.05	1,073.05	-
Other financial liabilities	340.66	340.66	-
<b>Total</b>	<b>24,647.95</b>	<b>2,916.17</b>	<b>21,731.78</b>

## D) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

Disclosures of fair value measurement hierarchy for financial instruments are given below:

(Amount ₹ In Lakhs)

Particulars	Carrying amount/Fair value					
	As at March 31, 2022			As at March 31, 2021		
	L-1	L-2	L-3	L-1	L-2	L-3
<b>Financial assets</b>						
Carrying amounts/fair value:						
<b>a) Measured at fair value through Profit and loss</b>						
Investment in Mutual Funds	4,593.42	-	-	4,640.91	-	-
<b>b) Measured at amortised cost</b>						
Other Financial Asset	-	3,505.98	-	-	3,077.10	-
Trade receivables	-	6,020.54	-	-	4,713.90	-
Cash and cash equivalents	-	4,240.98	-	-	1,320.25	-
Bank balance other than cash and cash equivalents	-	6,342.19	-	-	2,648.29	-
<b>TOTAL</b>	<b>4,593.42</b>	<b>20,109.70</b>	<b>-</b>	<b>4,640.91</b>	<b>11,759.54</b>	<b>-</b>
<b>Financial liabilities</b>						
Carrying amounts/fair value:						
<b>c) Measured at amortised cost</b>						
Borrowings	-	-	-	-	1,043.90	-
Trade payables	-	1,767.59	-	-	1,073.05	-
Lease Liabilities	-	24,979.78	-	-	22,190.34	-
Other financial liabilities	-	322.21	-	-	340.66	-
<b>TOTAL</b>	<b>-</b>	<b>27,069.58</b>	<b>-</b>	<b>-</b>	<b>24,647.95</b>	<b>-</b>

## 32. Employee benefits

## (a) Defined Contribution plan:

(i) The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

## (ii) Expenses Recognized

(Amount ₹ In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(a) Included under 'Contributions to Provident and Other Funds' (Refer Note 21)</b>		
Contributions to provident and pension funds	198.04	151.83
<b>(b) Included under 'Staff Welfare Expenses' (Refer Note 21)</b>		
Contributions to Employee State Insurance	133.70	116.55
Contributions to Labour Welfare Fund	0.15	0.13

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## (b) Defined Benefit plans:

"The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2022. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

## (c) Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under

(i) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

(Amount ₹ In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Service Cost		
- Current Service Cost	107.63	95.45
- Interest cost	13.22	8.83
Components of defined benefit costs recognised in statement of profit or loss (A)	120.85	104.28
Actuarial (gain)/loss on Plan Obligations	(39.55)	(34.10)
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	16.01	10.28
Components of defined benefit costs recognised in other comprehensive income (B)	(23.54)	(23.82)
<b>TOTAL (A+B)</b>	<b>97.31</b>	<b>80.46</b>

(ii) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

(Amount ₹ In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
I. Net (Liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	342.50	266.53
Less: Fair value of plan assets	(49.67)	(56.00)
<b>Net (Liability) recognised in the Balance Sheet</b>	<b>292.83</b>	<b>210.52</b>
Current portion of the above	-	-
Non current portion of the above	292.83	210.52

(iii) Movement in the present value of the defined benefit obligation are as follows :

(Amount ₹ In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Present value of defined benefit obligation at the beginning of the period	266.53	197.04
Expenses Recognised in statement of Profit & Loss		
- Current Service Cost	107.63	95.45
- Interest cost	17.05	12.64
Benefit Paid	(9.16)	(4.50)
Remeasurement gains / (losses)		
- Actuarial Gain (Loss)	(39.55)	(34.10)
Present value of the Defined Benefit Obligation at the end of period	342.50	266.53

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

(iv) Movement in fair value of plan assets are as follows :

Particulars	(Amount ₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets at the beginning of the period	56.00	55.09
Interest income on plan assets	3.84	3.81
Expenses Recognised in statement of Profit & Loss		
- Expected return on plan assets	(16.01)	(10.28)
Remeasurement gains / (losses)		
- Actuarial gains/(loss) arising form changes in financial assumptions	-	-
Contributions by employer (including benefit payments recoverable)	15.00	11.88
Benefit payments	(9.16)	(4.50)
<b>Fair value of plan assets at the end of the period</b>	<b>49.67</b>	<b>56.00</b>

## v. Sensitivity Analysis\*

a) Impact of the change in the discount rate

Particulars	(Amount ₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Present value of the Defined Benefit Obligation at the end of period	342.50	266.53
a) Impact due to increase of 0.50%	333.51	258.87
b) Impact due to decrease of 0.50%	351.97	274.60

b) Impact of the change in the salary increase

Particulars	(Amount ₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Present value of the Defined Benefit Obligation at the end of period	342.50	266.53
a) Impact due to increase of 0.50%	351.55	274.27
b) Impact due to decrease of 0.50%	333.78	259.10

\* Sensitivities due to mortality &amp; withdrawals are not material &amp; hence impact of change not calculated.

\* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement &amp; life expectancy are not applicable being a lump sum benefit on retirement.

## vi. Maturity Profile.

Particulars	(Amount ₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
0 to 1 year	36.16	20.95
1 to 2 Year	42.88	25.06
2 to 3 Year	49.83	33.92
3 to 4 Year	47.81	41.36
4 to 5 Year	47.21	37.82
5 years onwards	159.90	132.29

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## vii. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

Particulars	(Amount ₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Method used	Projected unit credit method	
Discount rate	6.83%	6.51%
Salary Escalation	10.00%	10.00%
Mortality Rate	IALM (2006-08) Ultimate LIC Ann (1996-98)	
Withdrawal rate up to 30/44 and above 44 years	20%	20%

The Code on Wages, 2019 and Code on Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the codes become effective.

## 33. Segment Reporting

The Company is primarily engaged in the business of retail trade through retail and departmental stores facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended March 31, 2022 and the period ended March 31, 2021, revenue from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from the external customers.

34 In March 2020, the World Health Organization (WHO) declared COVID-19 to be pandemic. The Company's operations were impacted from 25.03.2020 till 01.05.2020 and from 25.04.2021 till 27.06.2021 as most of the stores and offices were closed. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The company has performed an analysis on the assumptions used and based on current estimates expects the carrying amount of its assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. As on date of approval of these financial statements, significant part of stores are opened and others are in the process of reopening.

35 The Company's equity shares were listed on the National Stock Exchange ("NSE") and on the BSE Limited ("BSE") on November 30, 2021, by completing the Initial Public Offering (IPO) of 1,46,89,983 equity Shares of face value of ₹10 each at an issue price of ₹690 per equity share, consisting of an offer for sale of 1,28,78,389 equity shares by the selling shareholders and fresh issue of shares of 18,11,594 equity shares.

The utilization of the IPO proceeds is summarized below:

Objects of the issue as per prospectus	Amount to be utilised as per prospectus	(Amount ₹ In Lakhs)	
		Utilisation up to March 31, 2022	Utilised amount as on March 31, 2022
Funding roll out of new EBOs	3,373.40	272.34	3,101.06
Funding working capital requirements	6,139.80	3,028.09	3,111.71
General corporate purposes	2,364.00	2,364.00	-
Total	11,877.20	5,664.43	6,212.77



## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## 36 Financial Ratios

Particulars	As at March 31, 2022	As at March 31, 2021	Remarks for variation more than 25%
1. Current Ratio	3.15	5.32	Inventory holding has increased in the current year to augment higher sales. Similarly trade receivable outstanding has increased due to higher LFS sales. The Bank Balances are higher on account of the IPO made by the company during the current year. The increases in Current Assets during the current year has been off-set by Lease Liabilities re-classification made in the current financial year, thereby leading to a net reduction in Current Ratio.
2. Debt-Equity Ratio	0.57	0.82	The dependency of Cash Credit has reduced due to healthy cash inflows via Sales expansion and also the capital base of the company has improved on account of additional issue of shares. This has lead to a better Debt-Equity Ratio as compared to the previous year.
3. Debt Service Coverage Ratio	2.56	2.10	Not applicable
4. Return on Equity	9.87%	-1.24%	Normalisation of business post Covid has increased the sales by 60% in terms of value is the primary reason for the company to maintain an healthy ROE of 10.25%, where as last year the ROE was negative as there business operations were affected due to panedemic which caused a loss of about ₹300 lakhs.
5. Inventory turnover ratio	3.25	2.68	Not applicable
6. Trade Receivables turnover ratio	7.48	4.88	Enhanced sales in the current FY and improved collection from 75 to 50 days has led to higher receivable turnover ratio.
7. Trade payables turnover ratio	15.63	6.18	For augmenting the increased business operations, the procurement has almost tripled in the current FY as compared to the previous FY. The same has been partially off-set by increase in sales leading to enhanced consumption of about 60%. Hence the higher trade payable ratio in higher in the current FY.
8. Net capital turnover ratio	1.66	1.33	Not applicable
9. Net profit ratio	8.87%	-1.41%	Normalisation of business post Covid has increased the sales by 60% in terms of value is the primary reason for the company to maintain an healthy NP Ratio of 9.23%, where as last year the ROE was negative as there business operations were affected due to panedemic which caused a loss of about ₹300 lakhs.
10. Return on Capital employed	10.35%	3.38%	Normalisation of business post Covid has increased the sales by 60% in terms of value is the primary reason for the company to maintain an healthy ROCE of 10.45%, where as last year the ROE was negative as there business operations were affected due to panedemic which caused a loss of about ₹300 lakhs.
11. Return on investment	2.37%	2.86%	Not applicable

## Notes to the financial statements FOR THE YEAR ENDED MARCH 31, 2022

## Explanations to items included in computing the above ratios:

- Current Ratio: Current Asset over Current Liabilities
- Debt-Equity Ratio: Debt (includes Borrowings and Current & Non-Current Lease Liabilities) over total share holders equity (including Reserves & Surplus)
- Debt Service Coverage Ratio: EBIT + Interest on lease liabilities + Depreciation over Lease payments (principal + interest)
- Return on Equity Ratio: Profit After Tax over average Equity (including Reserves & Surplus)
- Inventory turnover ratio: Revenue over average Inventory
- Trade Receivables turnover ratio: Revenue from operations over average Trade Receivable
- Trade payables turnover ratio: Purchases over average Trade Payable
- Net capital turnover ratio: Revenue from operations over average working capital
- Net profit ratio: Profit After Tax over Revenue from operations
- Return on Capital employed: Profit Before Interest & Tax over Capital employed (Capital employed includes total share holders equity, borrowings, short term and long term lease liabilities)
- Return on investment: Interest income on fixed deposit + Mutual fund investment gain over average investments (investments includes investments in mutual funds, margin money and other bank deposits)

The Non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that EBIDTA, EBITDA Margin, Gross Margin, Net worth, Return on Net Worth, Net Asset Value (per Equity Share), debt equity ratio, Return on Capital Employed, Return on Equity is not a measure of operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

- 37** No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.
- 38** Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.
- 39** The Company has not traded / invested in Crypto currency or virtual currency.
- 40** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- 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 to or on behalf of the Ultimate Beneficiaries
- 41** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- 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,
- 42** The Company has no 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).

**Notes to the financial statements** FOR THE YEAR ENDED MARCH 31, 2022

**43** The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

**44 Approval of the Financial Statements:**

The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on May 7, 2022.

For and on behalf of the Board of Directors  
Go Fashion (India) Limited {formerly known as Go Fashion (India) Private Limited}"

**Prakash Kumar Saraogi**  
Director

**Gautam Saraogi**  
Director

**R.Mohan**  
Chief Financial Officer

**Gayathri V**  
Company Secretary

Place : Chennai  
Date: May 07, 2022



*GO COLORS!*