Himatsingka

REF: HSL/SEC/2022/45

September 06, 2022

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

Dear Sir/Madam,

Sub: Annual Report 2022

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

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose herewith a copy of Annual Report of the Company for the financial year ended March 31, 2022.

This is for your information & records.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited

SRIDHAR M

Digitally signed by SRIDHAR M
DN: c=IN, o=PERSONAL, title=4173,
pseudonym=90fc4a05f266be311b804acf1906485a,
2.5.4.20=551BBB4C7FB882C879E09953D037E2937DFCBA914
48ECA83062D0FCDEA32EA34, postalCode=560061,
st=Karnataka,
serialNumber=3c81669511bfc5d74f999fbd987831dd1acaecb
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Date: 2022.09.06 22:07:23 +05'30'

Sridhar Muthukrishnan
Company Secretary

Himatsingka

FOCUS: **CORE**

ANNUAL REPORT 2022

The Himatsingka Way

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

Consolidate

Optimize

Reinvent

Evolve

The world has witnessed this over and over again. Businesses that steadfastly invest in, protect and strengthen their fundamental capabilities, functions and growth drivers, thrive over time. At Himatsingka, we continue to strongly focus on **our core.**

The Himatsingka core is centered around consolidating our integrated capabilities to deliver total home textiles solutions; optimizing capital and operational efficiencies to drive productivity; reinventing strategies to reach new markets, categories and adjacencies; and evolving our ESG promise towards making better lives possible.

A well defined core enables Himatsingka to make agile decisions, work together, scale intelligently and navigate changing market and consumer preferences. It empowers us to establish replicable formulas that support innovation and sustain business performance.

The strength to relentlessly execute on our core comes from a deeply embedded value system and the guidance of The Himatsingka Way. Together, they keep us grounded when we succeed, and determined when we are challenged. They inspire us, every day, to focus on the fundamentals that propel us in our pursuit of excellence.

Himatsingka

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

Contents

OUR PURPOSE

Making Better Lives Possible

OUR VALUES

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

OUR VISION

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

15 global brands

30 + countries served

04 manufacturing facilities

12,000 + associates

About Himatsingka

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

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

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

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

We have amongst the largest Brand Portfolio in the Home Textile space:
15 Licensed and Owned Brands

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

We have a global network of Sales Offices and Warehousing Facilities:
North America, Europe, UK and India

Integrated, technologically advanced and sustainable platforms delivering total home textile solutions.

1
2

TRÜTZSCHLER
CL-F TRÜTZSCHLER

CORE

Consolidate

The Himatsingka core is centered around consolidating our integrated capabilities.

WORLD CLASS CAPABILITIES AND CAPACITIES

We have consolidated our capabilities across every vertical to operate amongst the largest home textiles capacities globally. This enables global scale, best-in-class shopfloors and industry leading agility that ultimately translates into heightened responsiveness. The Himatsingka advantage lies in our ability to respond to evolving needs of our global customer base with speed and efficiency.

THE INTEGRATED MODEL

Being completely integrated from fiber to shelf empowers us to be innovative, flexible and deliver high frequency product solutions. Our investments in integrated, technologically advanced and scale oriented operations continue to serve global retail strategies, anticipate consumer choices and stimulate new demand.

CALVIN KLEIN

TOMMY HILFIGER

kate spade NEW YORK

BARBARA BARRY

Disney

PIXAR

MARVEL

STAR WARS

Pimacott

organicott

Gizacott

HOMEGROWN COTTON PROUDLY GROWN IN THE USA

WAVERLY

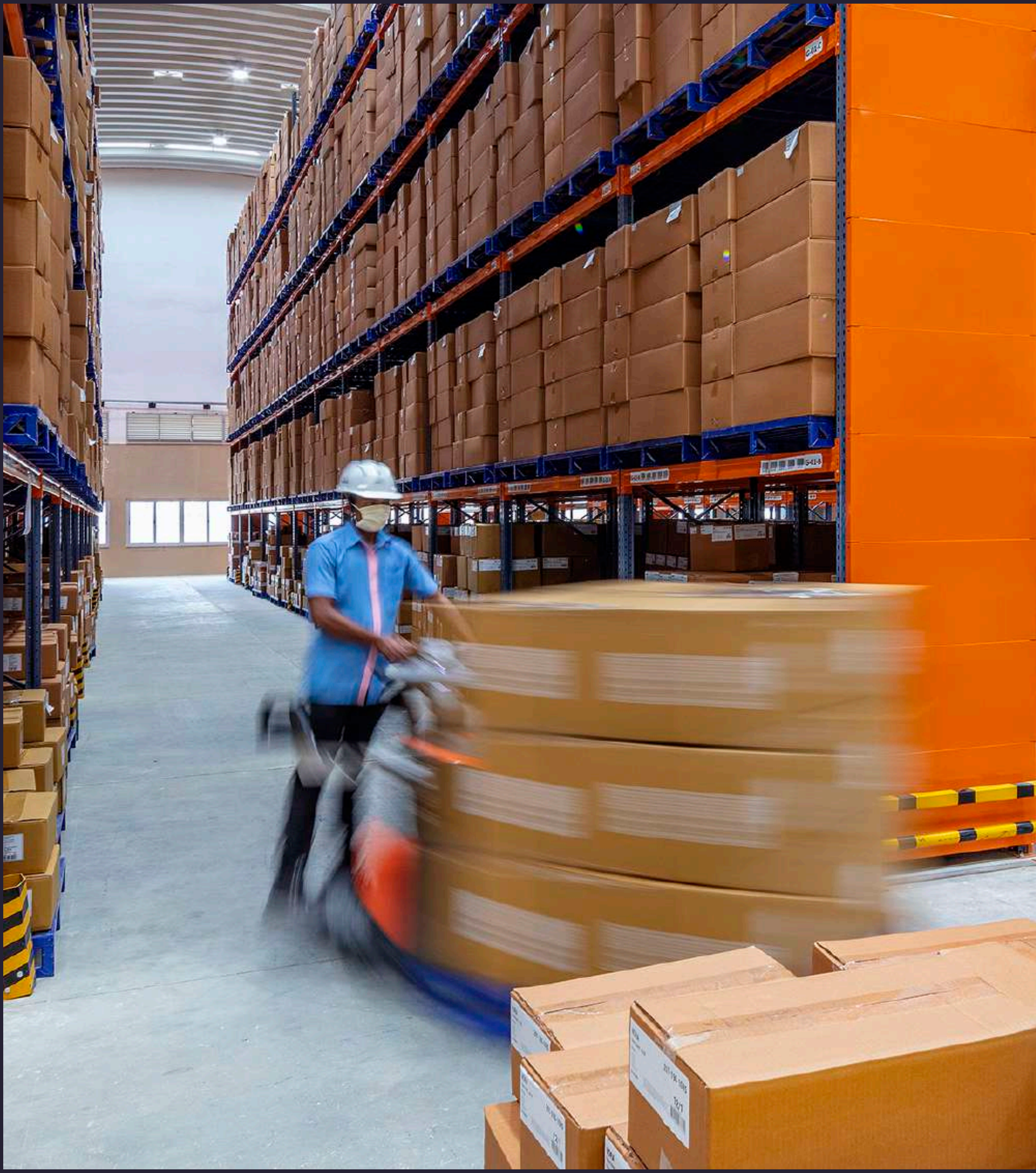
ROYAL VELVET

Bellora SINCE 1883

Himeya

BRANDS AND PARTNERSHIPS

We continue to consolidate our leadership in home textiles through a well recognized, global brand portfolio and successful partnerships with leading international retail channels. Himatsingka enhances the lives of millions around the world, across age groups, needs, lifestyles and aesthetic preferences. Our truly expansive portfolio includes products that celebrate convenience and everyday comfort, while also offering complete traceability and best-in-class functional attributes.



CORE

Optimize

Optimizing capital and operational efficiencies to drive productivity.

> MANUFACTURING 4.0

Himatsingka's focus on digital transformation helps provide real time access to data and powerful analytics that improve decision making and optimize utilization. With information and communication technology embedded into every facet of our operations, we are able to continuously improve efficiencies, drive innovation, and sustain a high performance work culture, while ensuring compliance through the global value chain.

> EFFICIENT SUPPLY CHAIN

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

FROM OUR FARMS

Our tagged cotton is sustainably grown.

GIN

SigNature T Tagging

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

BALE

SPINNING

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

WEAVING

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

CUT & SEW

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

STORE

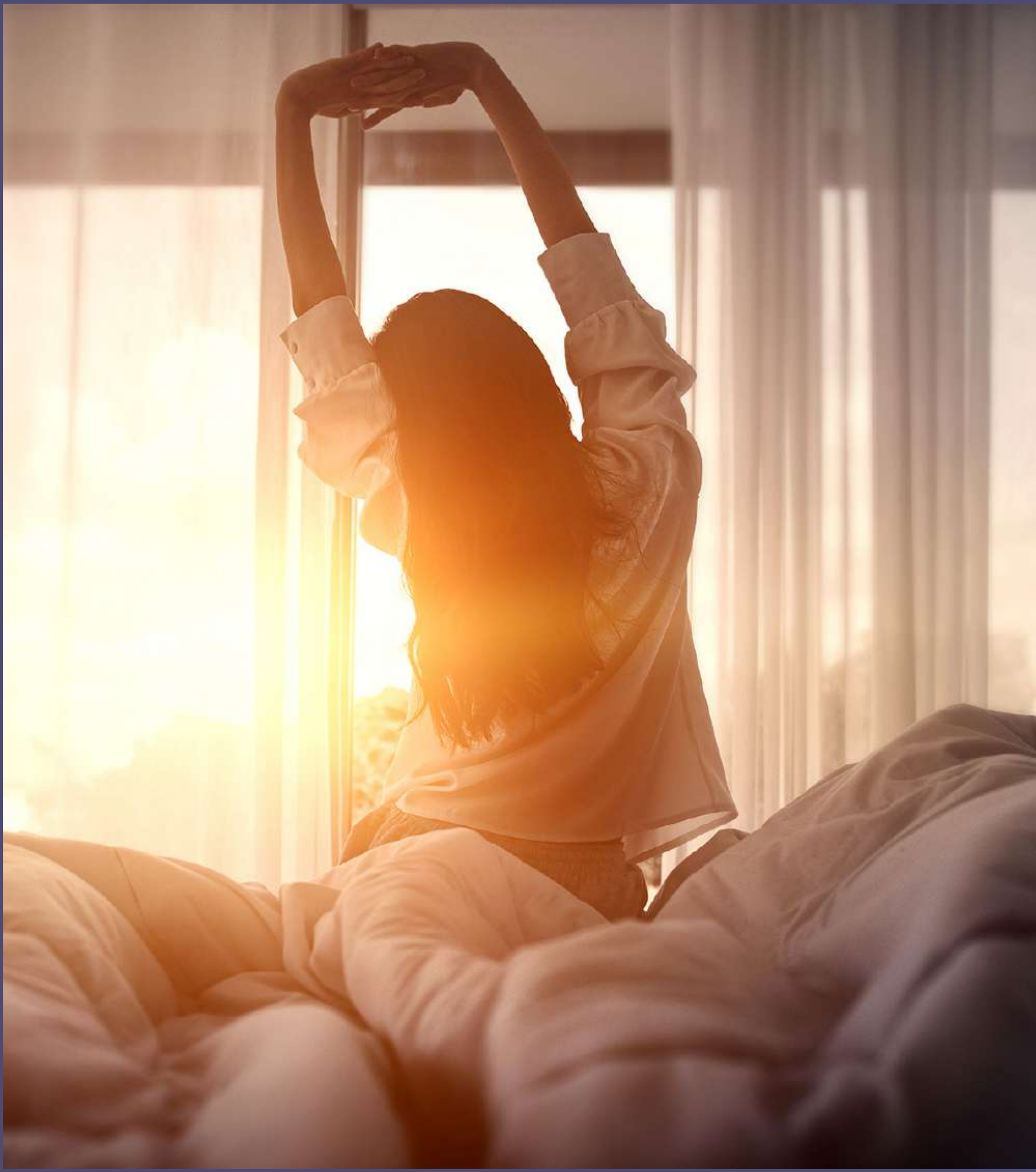
Cotton products your family will enjoy. Purity, quality and softness for years to come.

TO YOU

100% trust for the consumer.

THE TRANSPARENCY PROMISE

As leaders in the cotton track and trace space, Himatsingka's licensed and patented DNA tagging technology provides a robust, trusted and immutable method to record and share supply chain data with stakeholders and consumers in a transparent way. We continue to work on widening and deepening our traceability coverage by extending traceability solutions to all cotton varietals.



CORE

Reinvent

Reinventing strategies to reach new markets, categories and adjacencies.

MOVING THE CARING ECONOMY FORWARD

Increasingly, consumers are demanding products and services that reflect the values of a caring economy. They are leaning towards healthier practices, more balanced routines and planet positive lifestyles that are inclusive and accessible. Himatsingka recognizes wellness, sustainability and the environment as key themes that consumers are consciously embracing. We are aesthetically, technologically and functionally reinventing our products, to not just fulfil the expectations of our global consumers, but also anticipate their future needs.

Our growing portfolio of consciously made bedding and bath products and innovative R&D with new fibers and solutions, are a reflection of our commitment to sustainability, enhanced comfort and responsible living.

We offer a diverse portfolio of brands and technology led solutions that fulfil consumer preferences.

TOTAL BEDDING SOLUTIONS

100% COTTON | CVC INTIMATE | CVC CROSS-WEAVE

COTTON & OTHER BLENDS | 100% MODAL

SEASONAL BEDDING

- Yarn Dyed & Printed Flannel Sheets
- Solid Flannel Sheets

COMFORT BEDDING

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

CORE BEDDING

- Dobby & Jacquard Sheets
- Solid Woven Sheets

FASHION BEDDING

- Printed Sheets
- Comforters & Quilts

UTILITY BEDDING

- Down Alternative Comforters
- Mattress Pads & Pillows

ACCESSORIES

- Fleece Blankets
- Weighted Blankets
- Decorative Pillows

TOTAL BATH SOLUTIONS

100% COTTON | RECYCLED COTTON | RECYCLED POLYESTER

COTTON & OTHER BLENDS | 100% TRACEABLE COTTON

CORE TOWELS

- Piece Dyed Dobby Towels
- Piece Dyed Jacquard Towels

FASHION TOWELS

- Yarn Dyed Dobby Towels
- Yarn Dyed Jacquard Towels

BEACH TOWELS

- Print & Jacquard Combo Towels
- Printed Towels

KITCHEN TOWELS

- Piece Dyed Dobby Towels
- Yarn Dyed & Printed Towels

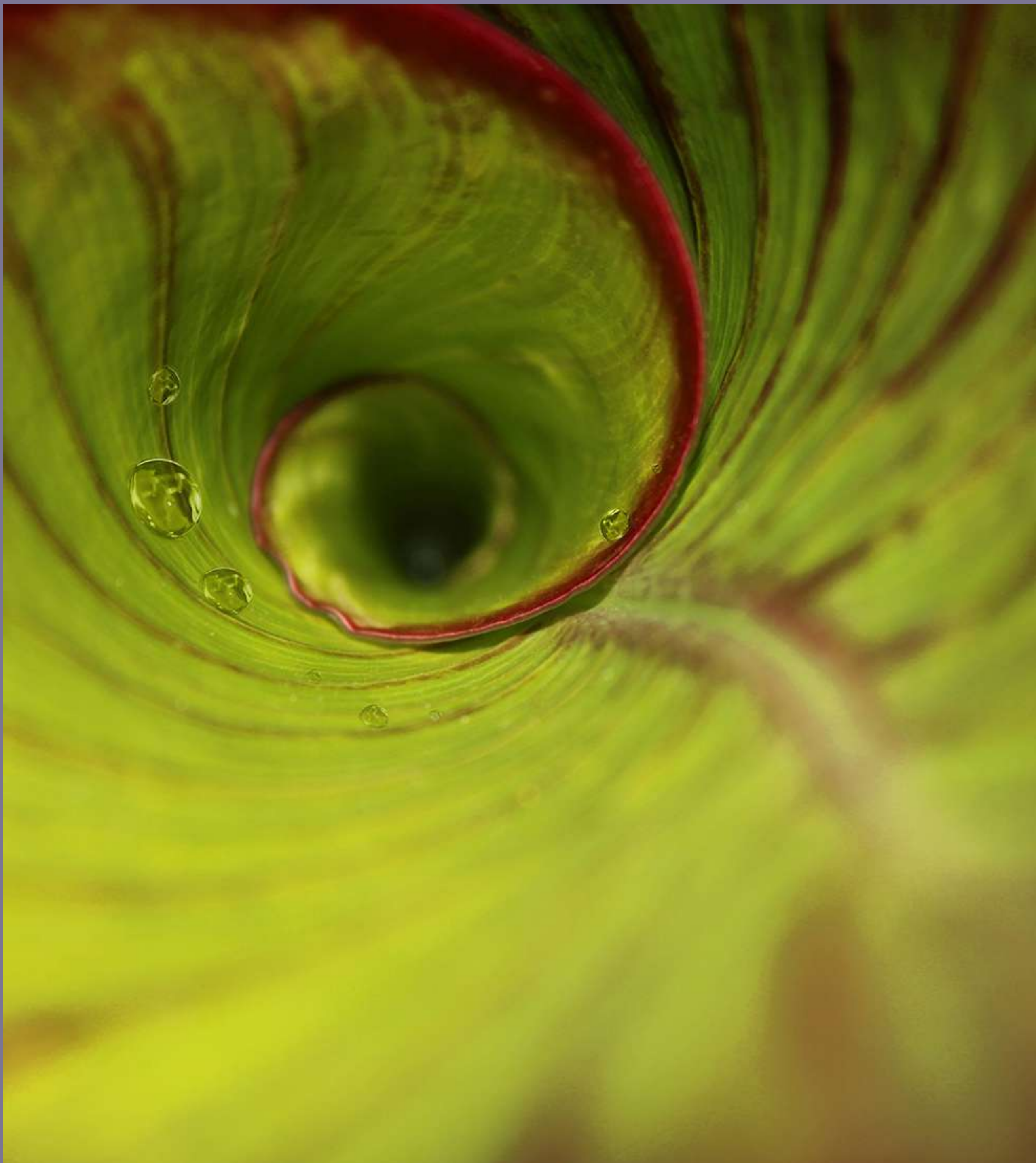
BATH ACCESSORIES

- Bathmats & Bath Rugs
- Bathrobes, Mitts & Wraps

COUNTERTOP

- Lotion Pump, Soap Pump & Tray
- Canister & Tissue Box

Embedded into our products are cutting edge technology-led solutions for enhanced comfort, hygiene and product experience.



CORE

Evolve

Evolving our ESG promise to making better lives possible.

A PLANET CENTRIC APPROACH

At Himatsingka, we are strategically aligning ourselves with a planet centric approach to business where the consumer and the environment thrive together. We have rapidly evolving systems and practices that hold us accountable to our impact, deliver on our sustainability claims and reflect measurable change.

Our core ESG commitment is to close 'the green gap' at our workplace, and true to our promise, make better lives possible for our people and the world around us. Over the next few years, our focus will continue to be on integrating green initiatives and embracing opportunity in every aspect of our business.

Environment

Himatsingka is committed to a cleaner, greener world. Protecting the environment is at the core of our business and we are taking every measure to help make us be a more responsible and sustainable global enterprise.

> **FOCUS AREAS**

No Coal Goal

0% + 100%

Coal by 2027 **Renewable Energy by 2025**

In our quest towards reducing our carbon footprint, we are aggressively enhancing the procurement of green power. The roadmap is to move to 100% renewable green power by 2030 and achieve zero coal use for steam generation by 2027.

Lower Emissions

63,525 MT

Metric Tonnes Reduction in CO^2 Emissions

We continue to control our carbon footprint by implementing cleaner processes, while increasing energy and resource efficiencies. Our aim is to be carbon neutral by 2030.

SUSTAINABILITY GOALS

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

Waste Less

404 MT

Metric Tonnes Waste Saved and Repurposed

We maintain a zero paper shopfloor, having drastically reduced plastic use and increased sustainable packaging solutions. Our conscious product portfolio, consisting of recycled fibers and natural finishes, consumes less water through the manufacturing lifecycle.

Conserve More

99.5%

Water Recovery at ZLD Facilities

Himatsingka operates best-in-class Zero Liquid Discharge (ZLD) water management plants across all its manufacturing facilities. We are mindful of our water consumption, continually optimizing its usage through the manufacturing process, capturing and recycling as much as possible, while also rejuvenating water sources.

10%

Reduction in Annual Energy Footprint

Improving energy productivity of our processes is an ongoing priority. As we set our targets on carbon neutrality, our energy transition will focus on energy and resource efficiencies.

Social

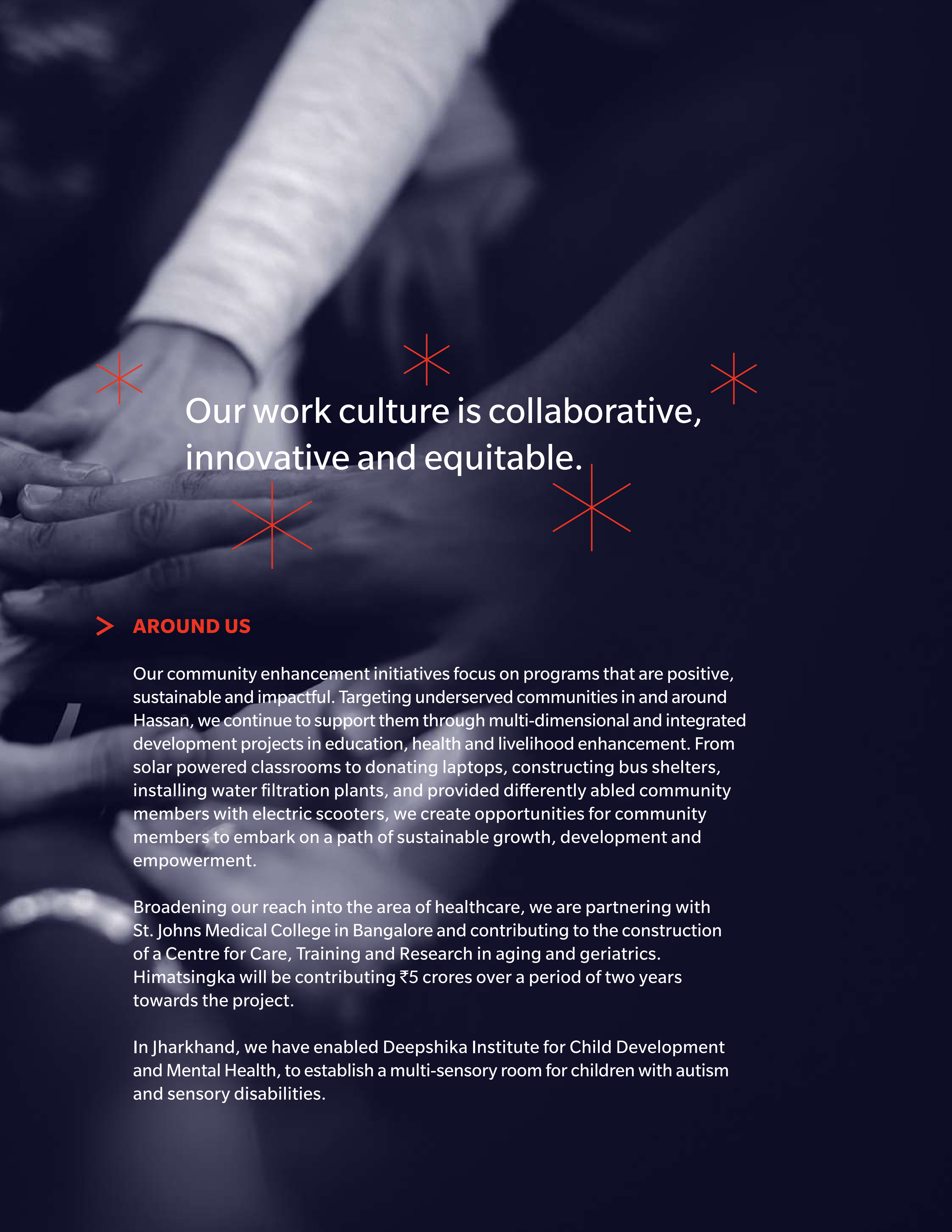
In a rapidly changing social paradigm, organizations that are agile will forge deeper relationships within the workplace and communities outside. Aligned with our purpose of Making Better Lives Possible, we are focused on our responsibility towards our people. At Himatsingka, we strive to create a diverse and inclusive workplace where everyone feels empowered to contribute to our open culture of innovation and entrepreneurship. Outside our facilities, we actively engage with local communities through employment, education support and developing community welfare infrastructure.

> AT WORK

Himatsingka's values of unity, trust and respect are reflected on the shopfloor and deeply experienced by every member of the workforce. Our work culture is collaborative, innovative and equitable. Women are provided with equal opportunities to work and contribute to the enterprise.

For our workforce at the Hassan plant, we ensure opportunities for growth and development across the organization, by continuously investing in training and upskilling our people through The Himatsingka Learning Academy and external learning avenues.

The health and safety of our people continued to be a priority. Annual health camps for workers and frequent health checks for those working in sensitive areas of manufacturing are carried out regularly. In 2022, we recorded industry leading statistics on health and safety with amongst the lowest total recordable injury and accident rates.



Our work culture is collaborative, innovative and equitable.

AROUND US

Our community enhancement initiatives focus on programs that are positive, sustainable and impactful. Targeting underserved communities in and around Hassan, we continue to support them through multi-dimensional and integrated development projects in education, health and livelihood enhancement. From solar powered classrooms to donating laptops, constructing bus shelters, installing water filtration plants, and provided differently abled community members with electric scooters, we create opportunities for community members to embark on a path of sustainable growth, development and empowerment.

Broadening our reach into the area of healthcare, we are partnering with St. Johns Medical College in Bangalore and contributing to the construction of a Centre for Care, Training and Research in aging and geriatrics. Himatsingka will be contributing ₹5 crores over a period of two years towards the project.

In Jharkhand, we have enabled Deepshika Institute for Child Development and Mental Health, to establish a multi-sensory room for children with autism and sensory disabilities.

Governance

At Himatsingka, we exercise and maintain strong corporate governance practices and policies to strengthen Board and management accountability, as well as promote the long term interests of our shareholders. Our dynamic, active and independent minded Board provides valuable inputs with respect to oversight of management, risk and overall strategic direction.

We demand and deliver the highest standards of ethical conduct and compliance across all our businesses and facilities. Our industry leading training programs, as well as internal monitoring and auditing systems, are equipped to provide our business with all the frameworks required to achieve our governance goals.

We demand and deliver the highest standards of ethical conduct and compliance across all our businesses and facilities.

Collective strength of over 12,000 associates

Consolidate

Technology and integration to deliver value with global scale

CO

Optimize

Conscious portfolio and sustainable operating platforms

Best-in-class consumer centric product solutions

Evolve

R E

Complete home textile solutions and a global brand portfolio of over 15 brands

Reinvent

Leadership in cotton traceability solutions

Performance Highlights

Business Highlights — FY 22

Achieved highest ever revenue in the history of Himatsingka: ₹3203.57 Crores

Capacity utilizations of Sheeting, Terry and Spinning were the highest ever, with Spinning posting 103% capacity utilization

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

Received Silver Award from TEXPROCIL (The Cotton Textiles Export Promotion Council) in Bed Linen and Terry Towels

Highest ever revenue from Brands growing by 25.7% year-on-year to ₹2260 Crores

Improved working capital cycle from 109 days to 79 days

Continued to make progress on Environment and Sustainability Goals

Maintained leadership in Cotton Traceability Solutions

Strong addition of New Clients during the second half to bolster total client base

Key Focus Areas — FY 23

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

Consolidated Financial Snapshot — FY 22

TOTAL REVENUE	₹3,203.57 Cr	▲ 41.0%
EBITDA	₹ 549.92 Cr	▲ 81.4%
EBIT	₹ 391.50 Cr	▲ 159.8%
PBT	₹ 210.33 Cr	NA
PAT	₹ 140.82 Cr	NA

Consolidated Financial Highlights — 5 Years

(₹ Lacs)

	2017-18	2018-19	2019-20	2020-21	2021-22
Share Capital	4,923	4,923	4,923	4,923	4,923
Reserves	1,17,830	1,37,183	1,31,078	1,26,599	1,42,048
Net Worth	1,22,753	142,106	1,36,001	1,31,522	1,46,971
Total Gross Debt	2,25,517	279,033	2,96,275	2,59,315	2,92,170
Total Net Debt	1,99,695	2,42,243	2,73,851	2,44,870	2,73,565
Gross Fixed Assets	2,78,684	3,56,493	3,84,495	4,02,886	4,08,029
Net Fixed Assets	1,90,769	2,56,476	2,70,908	2,73,930	2,63,494
Total Assets	4,21,897	5,20,491	5,27,179	5,10,757	5,64,363
Total Revenue	2,26,669	2,65,426	2,41,965	2,27,252	3,20,357
EBITDA	46,623	57,993	47,931	30,316	54,992
Depreciation	7,195	10,877	12,621	15,245	15,842
EBIT	39,428	47,116	35,310	15,071	39,150
Interest and Finance Charges	10,380	16,312	19,472	17,720	18,117
Profit Before Tax, Before Exceptional Items	29,048	30,804	15,838	-2,649	21,033
Exceptional Items	-	-	7,321	-	-
Profit Before Tax	29,048	30,804	8,517	-2,649	21,033
Profit After Tax	20,164	19,684	1,325	-5,335	14,082
No. of Equity Shares (In Lakhs)	984.57	984.57	984.57	984.57	984.57
Face Value Per Share (₹)	5.00	5.00	5.00	5.00	5.00
Book Value Per Share (₹)	124.68	144.33	138.13	133.58	149.27
Earnings Per Share (₹)	20.48	19.99	1.35	-5.42	14.30
Dividend Per Share (₹)	2.50	5.00	0.50	0.50	0.50
Total Dividend (₹ Lakhs)	2,461	4,923	492	492	492

Letter to Shareholders + Corporate Information

Dear Shareholders,

Overview

At the outset, fiscal 2022 has been both rewarding and challenging. While we have made progress in consolidating our operations, we also faced headwinds on several fronts. Global macro economic challenges, sustained inflationary pressures and disrupted supply chains continued to impact economic stability and recovery across most major markets.

The demand for home textile products remained buoyant through the fiscal and helped us achieve our highest ever Consolidated Total Revenue of over ₹3,200 Crores. However, during the fiscal, we also witnessed the highest levels of raw material and other key input prices in history. The operating performance was, therefore, impacted by raw material costs, energy costs and costs arising out of disrupted supply chains.

Going into FY23, we expect these inflationary headwinds to continue for the first half of the fiscal and gradually ease during the second half. In addition, we envisage a softer demand environment as workforces across the world make their way back to office and retailers realign inventory positions to reflect correction in demand.

Business Review

Manufacturing Platforms

Himatsingka operates four manufacturing plants across two campuses in the State of Karnataka, India. The plants are vertically integrated, best-in-class and have capacities that are of global scale. They are equipped to produce a broad assortment of products with industry leading efficiencies and response times, while adhering to the most stringent compliance requirements. We believe our shop floors embody next generation capabilities that will assist us in operating manufacturing platforms that harness Industry 4.0 requirements. The confluence of scale, smart, digital and flexible, will be key to manufacturing of the future.

On the manufacturing front, FY22 saw us increase capacity utilizations across our plants. We are pleased to share that all our facilities have clocked a strong performance during the fiscal. Our new terry towel facility commissioned during FY20, continues to witness increased capacity utilization levels, paving the way for us to offer home textiles solutions with much broader and deeper product capabilities.

Brand and Private Label Platforms

Our brand and private label platforms are central to our integrated model. Our global reach and connect is enhanced by the strength of these platforms. Himatsingka continues to focus on building and consolidating its client centric product solutions portfolio, to ensure that its presence is strong across a cross section of consumer audiences, markets, price points and categories.

Our cotton brands portfolio comprising of Pimacott®, Gizacott®, HomeGrown Cotton® and Organicott® continues to cement their position in the traceable cotton space. Our patent protected Track & Trace Technology for cotton products continues to be industry leading and helps us keep our global cotton supply chains transparent and secure. Our global fashion brands portfolio that comprises of Calvin Klein, Tommy Hilfiger and Kate Spade New York continue to gain traction across the channels and footprint they operate in.

Performance brands also play a key role in ensuring our global clientele is catered to holistically. Himatsingka is continuously developing sustainable, performance and hygiene led home textiles solutions that cater to dynamic consumer preferences globally.

We remain focused on enhancing our strength and presence in the global private label space. Our portfolio of products is truly expansive. Himatsingka customizes products for consumers across geographies, preferences and age groups. We design and develop an exhaustive range of home textile products that span diverse aesthetic signatures across categories and price points.

Himatsingka has significantly expanded its global client based and continues to work on deepening its relationship with retail majors across key markets.

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

Our Operating Scorecard

Himatsingka registered its highest ever consolidated Total Revenues in FY22 on account of increased capacity utilizations and strong demand compared to FY21. During the fiscal, Total Revenues grew by 41% year-on-year and stood at ₹3,203.57 Crores. Revenues from brands during FY22 stood at ₹2,260 Crores compared to ₹1,798 Crores in FY21. The first half of the year continued the momentum of FY21. However, the second half of the year faced challenges due to supply chain disruptions and unprecedented high inflation. While Consolidated Total Revenue for H1 FY22 stood at ₹1636.08 Crores, H2 recorded Total Revenue of ₹1,567.48 Crores.

For FY22, consolidated EBITDA stood at ₹549.92 Crores versus ₹303.17 Crores, an increase of 81.4%. The consolidated EBITDA for H1 FY22 stood at ₹307.69 Crores, while consolidated EBITDA for H2 FY22 stood at ₹242.22 Crores. Inflation on the raw material, energy and supply chain fronts have had an adverse impact on the operating profitability of FY22. This impact heightened during H2 FY22 and while we have partially mitigated it with year-on-year volume growth and price increases, the unprecedented levels of inflation was not fully absorbed.

Himatsingka registered its highest ever consolidated Total Revenues in FY22 on account of increased capacity utilizations and strong demand compared to FY21. During the fiscal, Total Revenues grew by 41% year-on-year and stood at ₹3,203.57 Crores.

Priorities for FY 23

FY23 will be a year of consolidation. Our home textiles solutions vertical is powered by integrated manufacturing facilities that are amongst the largest in the world. Our operating performance is positively correlated with our ability to enhance capacity utilization levels across our plants, and therefore, we will be focused on achieving the same in the backdrop of the various headwinds that have been outlined earlier.

Our focus on increasing utilization will coincide with our efforts to create new markets, clients and channels for our products. With the addition of bath products to our home textiles solutions portfolio, we are better positioned to augment our global client base, which will enable us to de-risk and broad base our global revenue streams.

Deleveraging our balance sheet while maximizing our operating performance will be an important theme for FY23 and beyond. We have been unable to reduce our Net Debt levels during FY22, given the inflationary environment and working capital challenges faced during the fiscal. While we expect some of these challenges to continue in FY23 as well, it will be our endeavor to progressively bring down Net Debt levels going forward.

As a dominant player in the global home textiles space, we aim to stay relevant by showcasing best-in-class innovation, industry leading flexibility and developing global client networks. These facets and capabilities are driven by our investments in infrastructure, technology and intellectual capital. With over 12,000 associates, we continue to enrich our intellectual capital base to support our growth The Himatsingka Way – where courage and imagination go hand-in-hand in the perennial pursuit of perfection.

With over 12,000 associates, we continue to enrich our intellectual capital base to support our growth The Himatsingka Way – where courage and imagination go hand-in-hand in the perennial pursuit of perfection.

The Road Ahead

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

Our Appreciation of Support

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

Sincerely,

Shrikant Himatsingka
Managing Director & CEO

Dinesh Himatsingka
Executive Chairman

Corporate Information

Board of Directors

D.K. Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO

V. Vasudevan
Non Executive Director

Pradeep Bhargava
Independent Director

Raja Venkataraman
Independent Director

Rajiv Khaitan
Independent Director

Management Team

Akanksha Himatsingka
CEO - International Operations (Home Textiles)

K.P. Rangaraj
President - Finance & Group CFO

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

Adnaan Zaheer
President - Sales (Bedding & Bath)

Shanmuga Sundaram
President – Manufacturing Operations (Group)

Ashutosh Halbe
President & CFO - Operations

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

Key Bankers

Abu Dhabi Commercial Bank
Axis Bank Ltd
Bank of India
Bank of Maharashtra
Canara Bank
Exim Bank
HDFC Bank Ltd
IDBI Limited
IndusInd Bank Ltd
Karur Vysya Bank
Kotak Mahindra Bank Ltd
State Bank of India
Yes Bank Ltd

Statutory Auditors

BSR & Co. LLP

Internal Auditors

Grant Thornton India LLP

Registered Office

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

Works

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

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

Management Discussion & Analysis

Management Discussion & Analysis

GLOBAL ECONOMIC OVERVIEW

The world's economies witnessed a sharp recovery in 2021 after a turbulent 2020, on account of enhanced vaccination coverage to fight COVID-19 and continued fiscal and monetary stimuli across countries. Due to increase in economic activities across the geographies in 2021, the global economy grew by 6.1% in 2021 as compared to a contraction of 3.3% in 2020. Both Advanced and Emerging Market & Developing Economies registered growth in 2021.

Advanced Economies witnessed growth of 5.2% against contraction of 4.5%. The United States economy grew by 5.7% compared to contraction of 3.4% in 2020, the Euro Area's GDP recovery was better than that of the United States with economy growing 5.4% compared to contraction of 6.3% in 2020. Emerging Markets & Developing Economies grew faster than the Advanced Economies in 2021. Emerging Market & Developing Economies grew by 6.0% as compared to a contraction of 2.0% in 2020. In Emerging Market & Developing Economies, India was the fastest growing economy registering growth of 8.7% compared to a contraction of 6.6% in 2020.

Growth momentum of 2021 was weakened from the start of 2022 due to new strains of the COVID-19 virus, unprecedented surge in inflation and pandemic-induced supply-demand imbalances. The situation was further worsened with the ongoing Russia-Ukraine conflict, which caused sharp escalation and volatility in agricultural, fuel and crude-linked commodity prices. This led central banks such as the US Federal Reserve, European Central Bank and the Bank of England to tightened their monetary policies. As a result, IMF has reduced the growth forecast for 2022 to 3.2% compared to growth of 6.1% in 2021.

Table 1: World Economic Growth — Projections

Percentage Change (%)	2020	2021	2022 (P)	2023 (P)
World Output	(3.1)	6.1	3.2	2.9
Advanced Economies	**(4.5)**	**5.2**	**2.5**	**1.4**
United States	(3.4)	5.7	2.3	1.0
Euro Area	(6.3)	5.4	2.6	1.2
- Germany	(4.6)	2.9	1.2	0.8
- France	(7.9)	6.8	2.3	1.0
- Italy	(9.0)	6.6	3.0	0.7
- Spain	(10.8)	5.1	4.0	2.0
Japan	(4.5)	1.7	1.7	1.7
United Kingdom	(9.3)	7.4	3.2	0.5
Canada	(5.2)	4.5	3.4	1.8
Other Advanced Economies	(1.8)	5.1	2.9	2.7
Emerging Markets & Developing Economies	**(2.0)**	**6.8**	**3.6**	**3.9**
Emerging and Developing Asia	(0.8)	7.3	4.6	5.0
- China	(2.2)	8.1	3.3	4.6
- India ^	(6.6)	8.7	7.4	6.1
- ASEAN-5	(3.4)	3.4	5.3	5.1
Emerging and Developing Europe	(1.8)	6.7	-1.4	0.9
- Russia	(2.7)	4.7	-6.0	-3.5
Latin America and the Caribbean	(6.9)	6.9	3.0	2.0
- Brazil	(3.9)	4.6	1.7	1.1
- Mexico	(8.1)	4.8	2.4	1.2
Middle East and Central Asia	(2.9)	5.8	4.8	3.5
- Saudi Arabia	(4.1)	3.2	7.6	3.7
Sub-Saharan Africa	(1.6)	4.6	3.8	4.0
- Nigeria	(1.8)	3.6	3.4	3.2
- South Africa	(6.3)	4.9	2.3	1.4

^ Data and forecasts are presented on a fiscal year basis

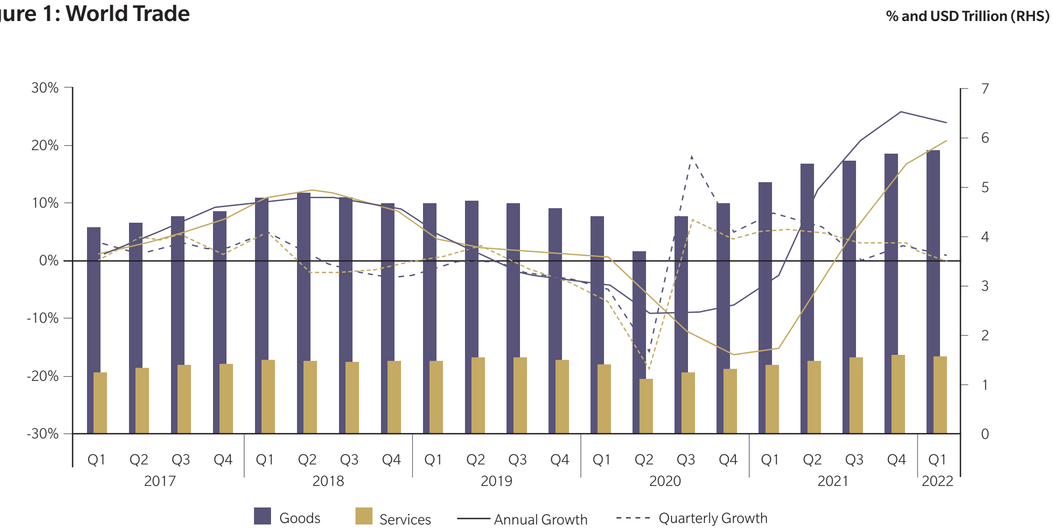
P=Projection

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

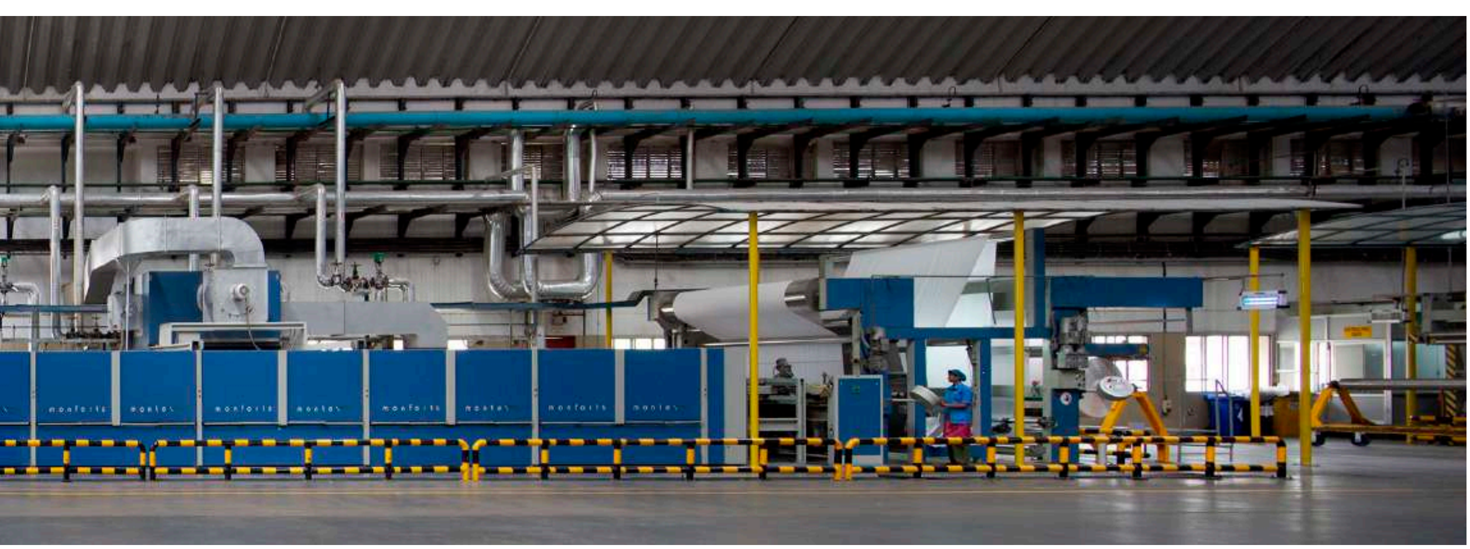
As a result of increase in commodity prices, subsiding pandemic restrictions and a strong recovery in demand on account economic stimulus packages, Global merchandize trade increased 26.3% in 2021 to USD 22.28 trillion over 2020 and 17.3% as compared to the pre-pandemic level of 2019. The similar trend was witnessed in trade of services, which resulted in value of global trade reaching a record level of USD 28.5 trillion in 2021, an increase of over 25% over 2020 and 13% as compared to pre-pandemic levels of 2019.

As seen the chart below, the growth momentum of trade in goods and trade in services attained in the second half of 2020 continued in 2021, with stronger increases during the first half of the year and softer growth during the second half of the year.

Figure 1: World Trade



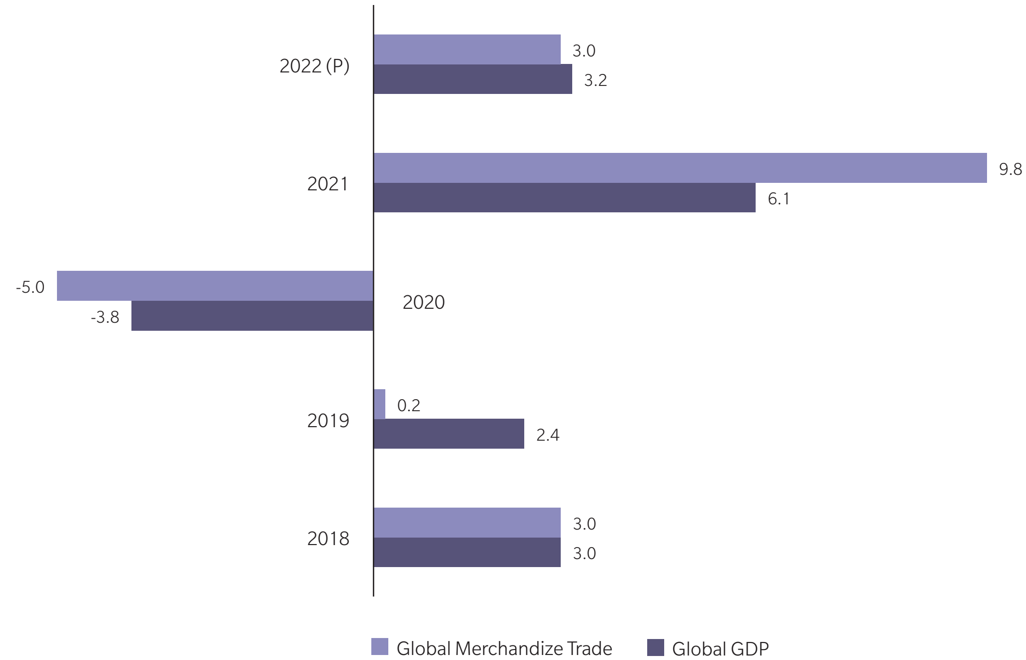
(Source: Global Trade Update, Feb, 2022, UNCTAD)



On account of the prevailing Russia-Ukraine war and persistent high inflation, WTO has reduced its earlier forecast of 4.7% in global merchandize trade volume in 2022 to 3.0%. Additionally, WTO expects global trade to get adversely impacted due to frequent lockdowns imposed in China in order to curtail the spread of COVID-19. This is expected to disrupt seaborne trade and lead to renewed shortages of manufacturing inputs and higher inflation.

Figure 2: Growth in World GDP & Merchandize Trade (in Volume), 2018 –2022 (P)

% Change



(Source: WTO and IMF)

P=Projection

INDIAN ECONOMY OVERVIEW

The challenges of FY21 continued in FY22 for the Indian economy, marked by heightened uncertainty and volatility due to the COVID pandemic and inflation. The year for the country began with the second wave of the pandemic, which was more devastating than the first wave of COVID-19. Although the duration of the second was short compared to the first wave, it had a devastating socio-economic impact in the country. Economic activities recovered sharply post the second wave of pandemic and the economy attained pre-pandemic levels towards the end of the second quarter.

As the economy was recovering, the pandemic again hit the country, derailing growth momentum. As the economy was coming out of third wave, geopolitical tension between Russian and Ukraine sparked off a fresh round of uncertainty in the operating environment, which lead to significant increase in inflation of commodities.

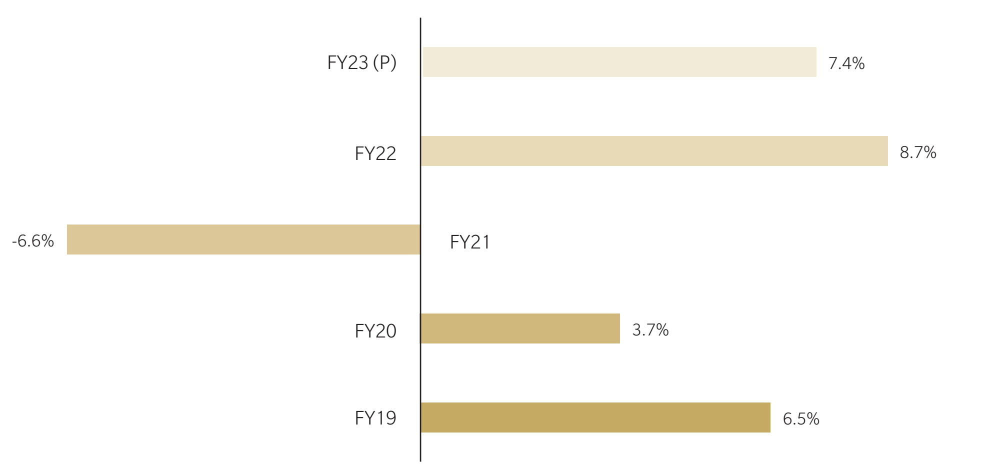
Despite such a challenging environment, the Indian economy grew by 8.9%, albeit on a low base, on the back of government initiatives such as an effective and focused vaccination program, targeted localized restrictions during peak caseloads, support to economically weak sections of society and assistance to sectors most impacted by the pandemic.

The recovery was, however, uneven with different sectors of the economy and income classes experiencing varying degrees of impact. The exports sector did better than that the domestically focused sectors. India's merchandize exports grew 45% to a record high of USD 422 billion during the year. Foreign currency reserves also remained robust, despite increase in imports with rising levels of activity. Tax collections remained buoyant during the year with record GST collections on the back of pick-up in economic activity, enhanced compliance and efficient administration. On the other hand, private consumption remained subdued and below its pre-pandemic growth path, rural demand witnessed a marked slowdown and private capital expenditure did not see any material improvement, although signs of an incipient revival emerged in certain sectors.

Unprecedented rise in commodity and crude oil prices led to persistently sticky and elevated inflation with March 2022 CPI hitting a 17-month high of 6.95%, resetting inflation expectations and the interest rate trajectory going forward. Up until January 2022, near-term prospects for the Indian economy seemed extremely promising – with all sectors of the economy, including the contact intensive service sector, having made steady recovery. However, sustained inflationary headwinds and outbreak of the Russia-Ukraine conflict leading to extended global disruptions and spiraling of commodity prices have led to downward revisions to the growth forecast for 2022.

As per IMF, although India's GDP is forecasted to expand at lower rate in FY23 at 7.4% compared to FY22, it will be the second fastest growing economy in FY23 after Saudi Arabia. Government capital expenditure, favorable monsoon and anticipated pick-up in the private capex cycle are expected to drive growth in FY23. However, continued geopolitical tensions, surging inflationary pressures and aggressive interest rate hikes pose key downside risks for the year ahead.

Figure 3: Indian GDP Growth

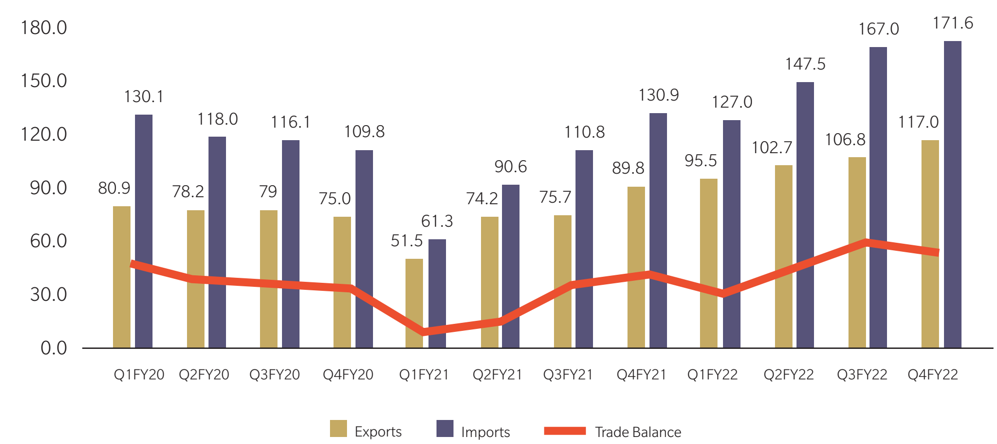


(Source: IMF) P=Projection

On the merchandize trade front, India's total merchandize exports during 2021-22 increased by 44.9% and stood at USD 422.0 billion compared to USD 291.2 billion in 2020-21. Major export destinations during 2021-22 were North America with a 20.0% share of total exports followed by the European Union Countries with a share of 15.4%. Total merchandize imports during fiscal 2022 stood at USD 613.1 billion, an increase of 55.8% from USD 393.6 billion in fiscal 2021. Due to higher growth in imports compared to exports, trade deficit increased 86.5% from 102.4 billion to 191.0 billion in FY22.

Figure 4: Quarterly Trade Figures

US$ Billion

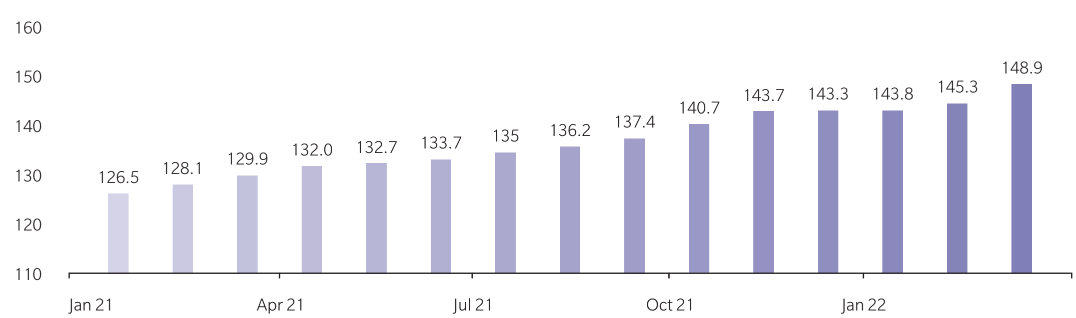


(Source: Ministry of Commerce and Industry Department of Commerce)

Inflation

FY22 witnessed a secular increase in inflation throughout the year and across commodities. The Wholesale Price Index (WPI) inflation index increased to 148.9 in March 2022 compared to 132.0 in April, 2021. The increase in inflation was due to global supply chain disruptions, container shortages and congestion in ports, which led to supply-demand imbalances and increasing commodity prices. Persistently elevated and sticky inflation has emerged as a key concern not only in India but globally. As per IMF, global inflation in 2022 is projected at 7.4%, the highest in 26 years.

Figure 5: Wholesale Price Index — India



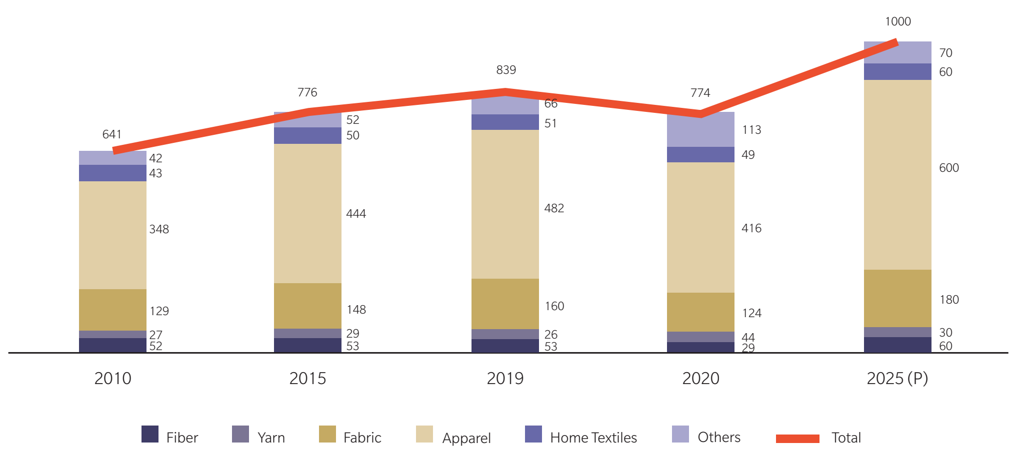
(Source: Department For Promotion Of Industry And Internal Trade, India)

GLOBAL TEXTILE INDUSTRY

The global textile and apparel trade has grown at a CAGR of 3% since 2010 to reach USD 839 billion in 2019 before witnessing decline in 2020, when global trade declined to USD 774 billion due to the pandemic. However, global trade has regained its growth trajectory and is expected to reach USD 1,000 billion by 2025, growing at a CAGR of 3%. In 2020, apparel continued to dominate T&A trade with a 54% share in the overall trade value, followed by fabrics with a share of 16%. The share of Home Textiles in global T&A trade stood at approximately 6% and is expected to remain range bound as global textile and apparel trade grows to projected USD 1 trillion mark by 2025.

Figure 6: Global Textile & Apparel Trade

US$ Billion

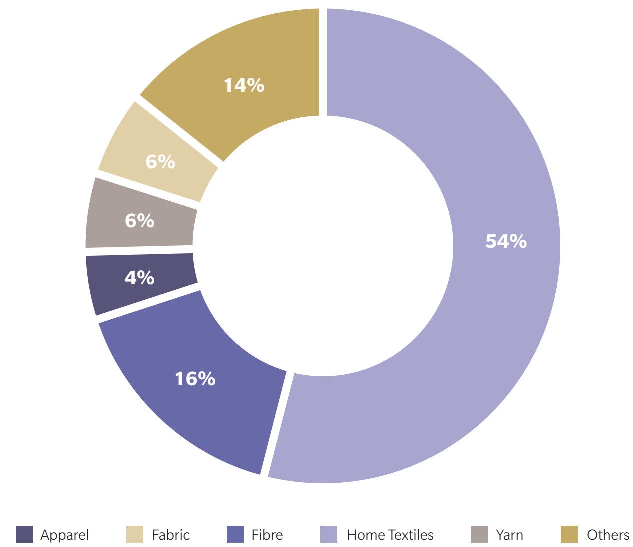


(Source: Wazir Advisors)

P=Projection

Figure 7: Category-wise Share of Global Textile & Apparel Trade (2020)

% Share



(Source: Wazir Advisors)

China continues to be the dominant textile and apparel producer and exporter. Its share in global T&A trade has remained at approximately 38% during 2020. India was the sixth largest supplier of T&A globally in 2020. Vietnam and Germany, stood at 2nd and 3rd position, respectively, with USD 40.4 billion and USD 36.7 billion of exports due to dominate position in exports of apparels. Bangladesh slipped to 4th position with total exports of USD 35.7 billion and apparels contributing 88% to total exports.

Table 2: Largest Exporters of Textile & Apparel (2020)

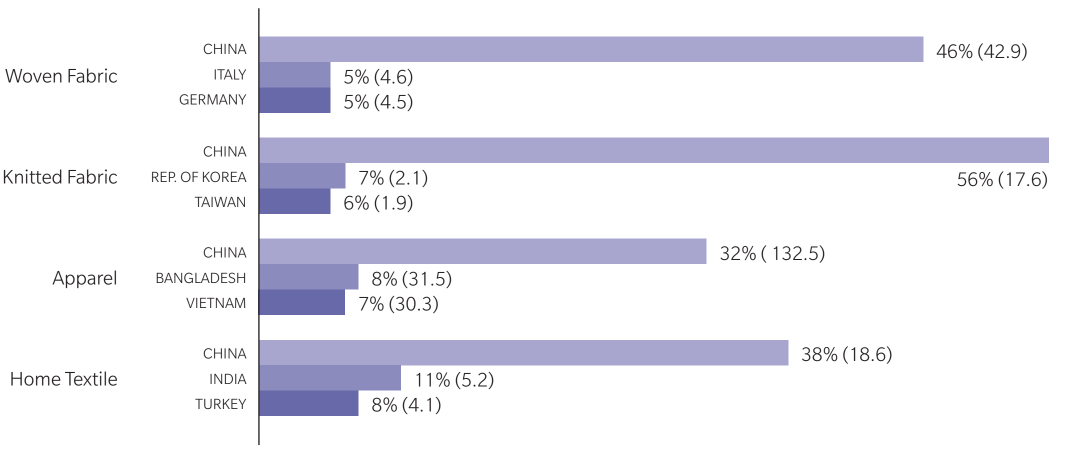
US$ Billion

Country	Textile Exports	Apparel Exports	Total Exports	Share (%)
China	161.4	132.5	293.9	38
Vietnam	10.1	30.3	40.4	5
Germany	14.2	22.6	36.7	5
Bangladesh	4.3	31.5	35.7	5
Italy	10.0	20.2	30.4	4
India	17.4	12.2	29.6	4
Turkey	12.1	15.0	27.0	3
USA	18.7	4.1	22.8	3
The Netherlands	5.2	11.1	16.2	2
Spain	4.2	11.6	15.8	2
ROW	101.2	124.5	225.8	29
Total	**358.6**	**415.8**	**774.4**	

(Source: Wazir Advisors)

China was the leading exporter of fabrics (both knitted and woven), apparel and home textiles in 2020. India was the second largest exporter of home textile goods in 2020. In the apparel category, Bangladesh & Vietnam are competing closely as 2nd & 3rd largest exporters.

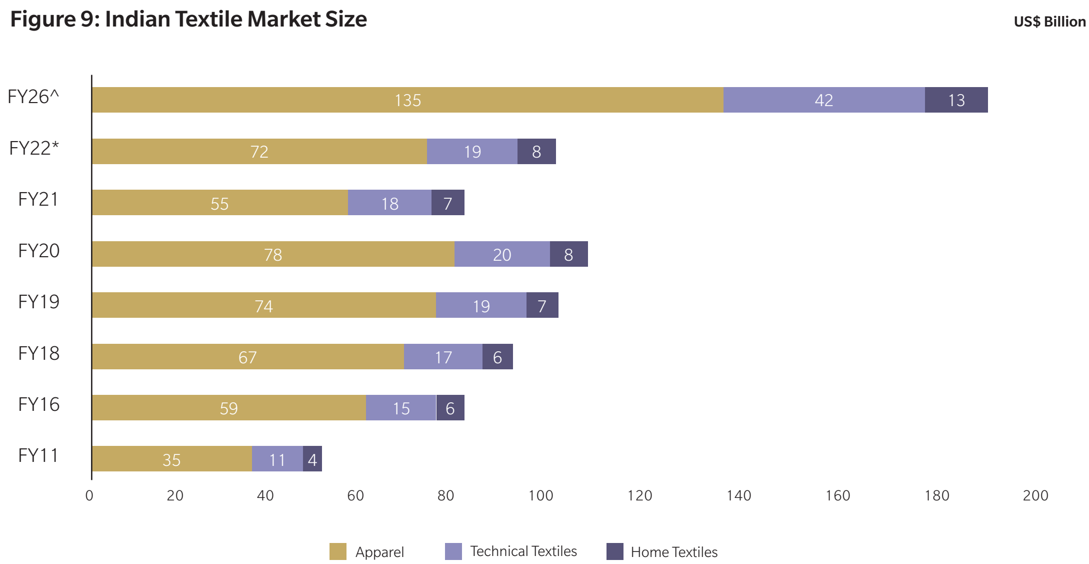
Figure 8: Category-wise Leading Exporters (2020)



Indian Textile Industry

The Indian textile industry continues to be an important contributor to the Indian economy. It is the second largest employment generator after agriculture as it provides direct employment to over 45 million people and indirect employment to approximately 60 million people in allied sectors. It contributes to over 2% of the GDP and 10% of export earnings. The size of India's domestic textile and apparel market, which was USD 50 billion in FY11 grew to USD 106 billion in FY20 at a CAGR of 9% before declining to USD 80 billion in FY21 on account of COVID-19. The Growth has returned in FY22 and the industry is expected to reach USD 99 billion by end of FY22 and it is expected to grow to approximately USD 190 billion by FY26, at a CAGR of 17.7% between FY22 to FY26. The home textile segment is expected to grow at 12.9% during the same period. Apparel demand at US$72 billion, dominated the domestic market with a share close to 73% of the total textile and apparel market in India.

Figure 9: Indian Textile Market Size



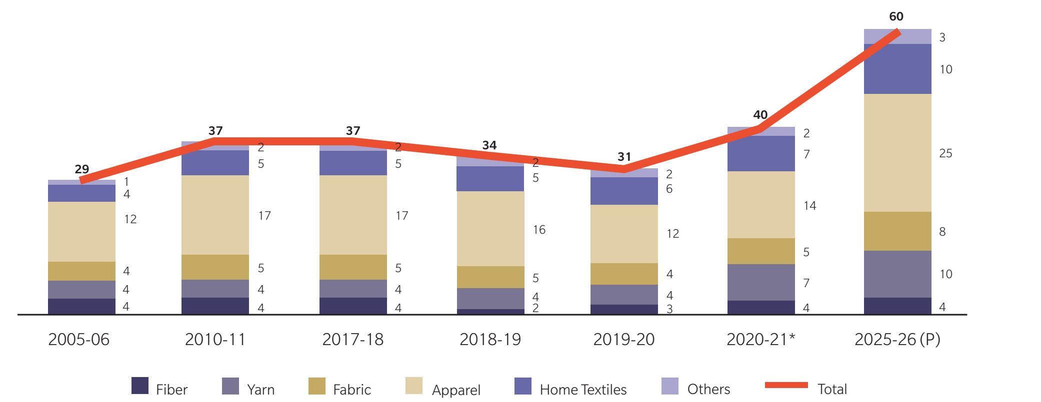
(Source: Wazir Advisors)

* Estimates; ^ Projections

Overall textile and apparel exports from India during 2021–22 is estimated at over USD 40.00 billion as compared to USD 31.00 billion during 2020–21, an increase of over 28%. Opening of the global economy and vaccination drives across the global post the pandemic led to this significant growth. The export of cotton textiles was USD 17.2 billion with 39% share registering a growth of 54% and 67% during 2021–22 over FY21 and FY20, respectively. The Textile and Apparel exports from India is expected to grow at a CAGR of over 11.0% to USD 60 billion by 2025–26 from estimated USD 40 billion in 2021–22.

Figure 10: Indian Textile & Apparel Exports

US$ Billion



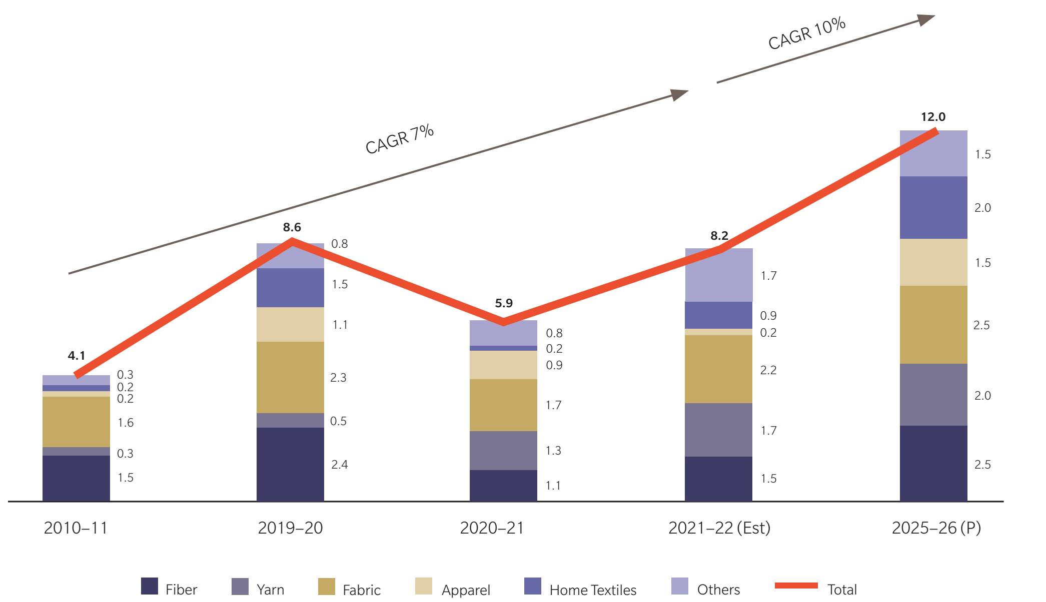
(Source: Wazir Advisors)

* Estimated

On the import front, India's import of textile and apparel products are estimated to stand at approximately US$ 8.2 billion during 2021–22, an increase of 27% over 2020–21, due to higher demand as economic activity gained momentum post the lifting of lockdown after the first wave of pandemic. The imports of textile and apparel products have seen a CAGR of approximately 7% over the last 11 years (2010–11 to 2021–22) and is expected to grow at a CAGR of 10% over the next four years and reach USD 12 billion.

Figure 11: Indian Textile & Apparel Imports

US$ Billion



(Source: Wazir Advisors)

P=Projection

The Government of India took several steps to support the textile industry. The Government approved continuation of Rebate of State and Central Levies (RoSCTL) scheme up to March 2024 to boost export competitiveness of Indian apparel and made-ups. Secondly, India signed Free Trade Agreements (FTAs) with Australia and United Arab Emirates that are expected to offer zero-duty access of India's exports of textile & apparels to these regions. The Government is also currently working on FTAs with Israel, Canada, the United Kingdom and the European Union, which will further provide impetus to the textile and apparel industry. Furthermore, Production Linked Incentive (PLI) Scheme for Textiles was announced with special focus at high value and expanding Man Made Fiber (MMF) and Technical Textiles segments of Textiles Value Chain.

Furthermore, to give some relief to textile and apparel manufacturers from increasing cotton prices, the government exempted customs duty and agriculture infrastructure and development cess (AIDC) on the import of cotton till October 31, 2022.

US Imports of Home Textile Products

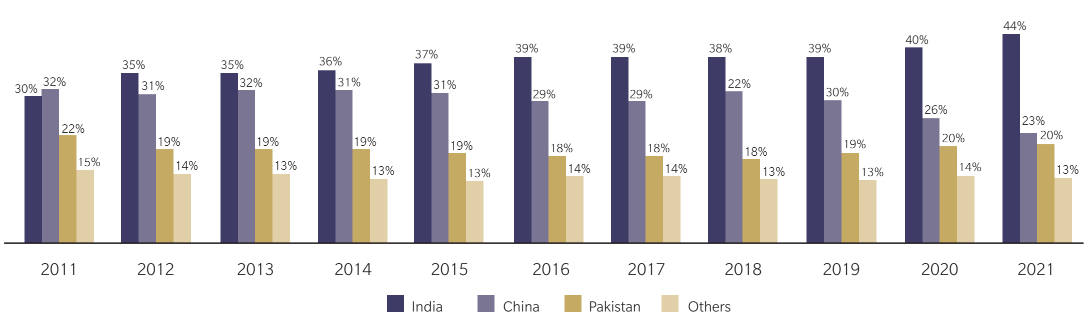
For Himatsingka, The United States (The US) continued to be the largest market in FY22. Total US imports for cotton denominated bedding and bath products stood at USD 5.2 billion during 2021. This was 36.5% higher than the total imports for such products in 2020. The share of the above United States imports that vest with India, China and Pakistan stood at 86.8% during 2021 vs 86.3% during 2020.

The demand for home textile in the US witnessed sturdy growth in 2021 primarily driven by factors such as rising consumer spending on home renovation, which got a sharp boost during pandemic period as people were keen to make their homes look good. Additionally, the rise in health awareness of consumers and higher usage of these products during the pandemic period led to increase in demand. Imports from India increased 47.4%, while sourcing from China increased 20.9%, resulting in increased market share for India.

The United States continue to dominate the global market for soft home products. The US' total market size for these products is approximately USD 70 billion in 2021 and the same is expected to grow at a CAGR range of 5–7 per cent during 2021–2026. The chart below demonstrates the percentage share of United States imports of cotton sheets, pillow cases, bedspreads, quilts and terry towels that India, China, Pakistan and the rest of the world enjoy. India's dominance continued in 2021 followed by China and Pakistan. India's share in total imports of these products increased from 40% in 2020 to 44% in 2021. China's share continued to fall even in 2021 with companies in the US sourcing from countries other than China.

Figure 12: US Imports — Cotton Sheets, Pillow Cases, Bed Spreads, Quilts & Terry Towels

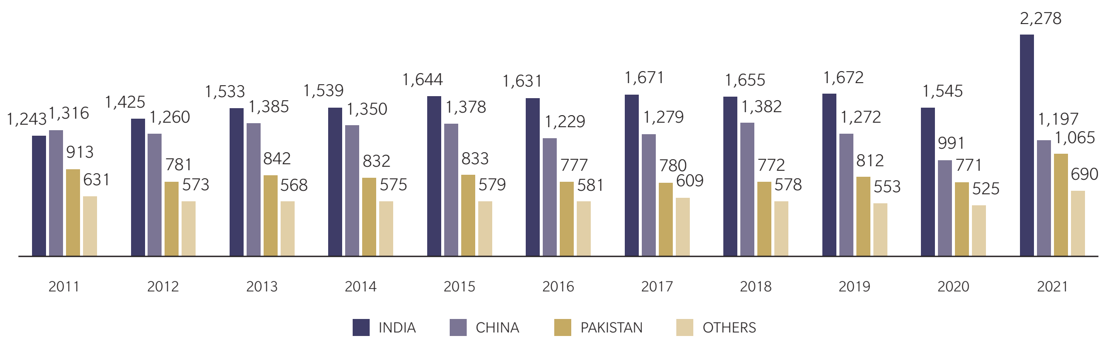
% Shares of Countries



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

Over the years, India has surpassed China to become the largest supplier of cotton soft home products to the United States. While India's supply of cotton soft home products to the United States stood at USD 1.24 billion in 2011, it now stands at USD 2.28 billion during 2021. This translates to a CAGR of 6.2% for India as against a CAGR of 2.5% of the total imports by the US for these products since 2011. China, on the other hand, witnessed a CAGR decline of 1.0% over the same period. As a result, India's contribution in US total imports of soft products has increased from 30.3% in 2010 to 43.5% in 2021.

Figure 13: US Imports — Cotton Sheets, Pillow Cases, Bedspreads, Quilts & Terry Towels US$ Million



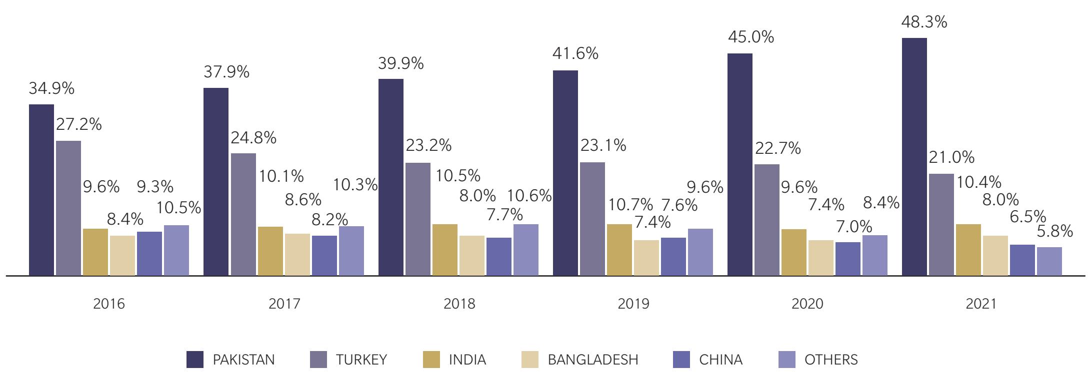
(Source: OTEXA, Department of Commerce, United States of America)

EU Imports of Home Textile Products

EU-27 imports of cotton-based bed linen, terry and blankets products is comparable to the US. In 2021, EU-27 imported cotton-based bed linen, terry and blankets worth Euro 2.37 billion compared to Euro 2.01 in 2020. Import of these products have grown at a CAGR of 2.7% over the last 5 years and 2.2% over the last 10 years. India is the third largest exporter of these goods to EU-27 with a Euro 246 million share and has grown its share to this region at a CAGR of 1.1% over the last 10 years and at a CAGR of 4.2% over the last five years.

The top three supplier countries to EU-27 region constitute approximately 80% of their total imports of cotton soft home products (bed linen, terry towels and blankets). In 2021, India's share in the total imports increased to 10.4% compared to 9.6% in 2020, retaining the position of the third largest supplier of these products to EU-27.

Figure 14: EU-27 Imports — Cotton Bed Linens, Terry Towels & Blankets % Shares of Countries

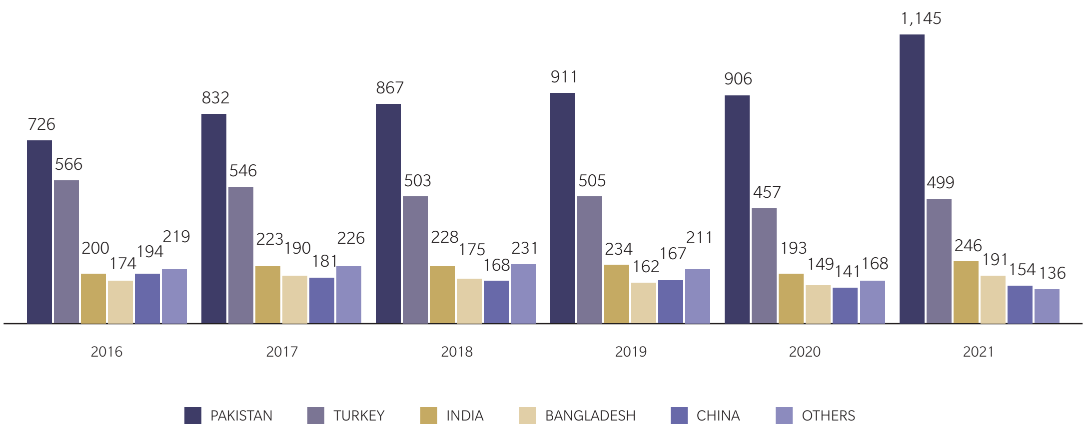


(Source: European Commission)

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

Figure 15: EU-27 Imports — Cotton Bed Linen, Terry Towels & Blankets

€ Million



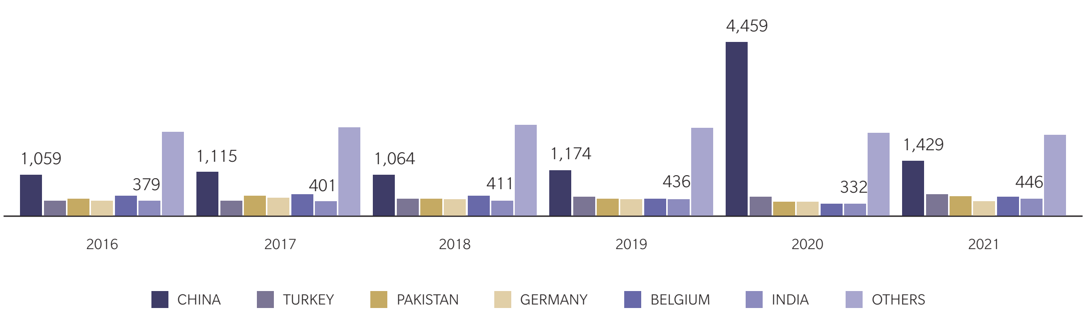
(Source: European Commission)

United Kingdom Imports of Textile Products

In 2021, the United Kingdom (UK) imported total textile goods (excluding Clothing) worth GBP 5.87 billion compared to GBP 8.58 billion in 2020. In 2020, their import was significantly higher due to import of medical masks and PPE kits to combat COVID-19 pandemic and majority of these imports were from China. Import of textile products have grown at a CAGR of 2.5% over the last 10 years and 2.1% over the last 5 years. In 2021, India became the fifth largest exporter of these goods to UK with a GBP 446 million share compared to sixth largest in 2020 with share of GBP 332 million. China continues to be the largest supplier of these products to UK with GBP 1.4 billion.

Figure 16: UK Imports — Textile Products (excl. Clothing)

GBP Million



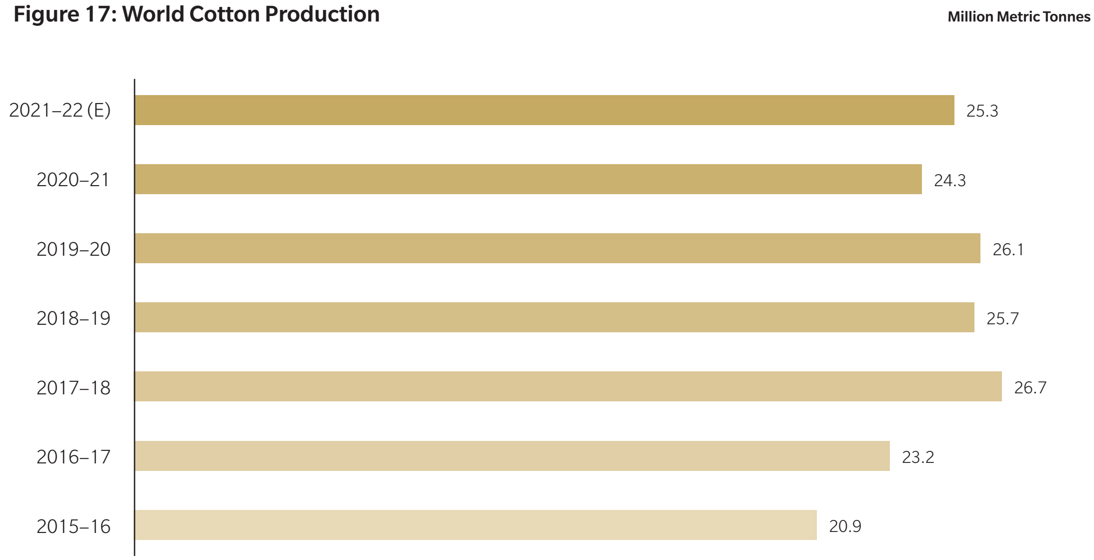
(Source: Office for National Statistics, UK)

GLOBAL COTTON SCENARIO

Cotton is amongst most profitable non-food crop grown across the globe and the most extensively used fibers in the global textile space with over 50% of the textile manufactured using cotton. Production of cotton provides employment to over 7% of all the labors in developing countries. Cotton is grown in over 100 countries but the main concentration is limited to few countries. After witnessing growth in 2019–20, world cotton production decreased in 2020–21 to 24.3 million metric tonnes, a decline of 5.9%, largely driven by declines in yield and lower area harvest in major cotton growing areas.

During 2020–21, the United States saw a 26.6% decrease with significantly lower area harvested, especially in Texas. Pakistan production fell 27.4% to 4.5 million bales, owed to the lowest yields in nearly 40 years. However, the decline in production by major cotton growing areas was partly offset by China and Australia. In 2021–22, the global cotton production is expected to rise 4.4% to about 25.3 million metric tonnes with rising acreage and improving yields among major cotton producing countries.

Figure 17: World Cotton Production



(Source: United States Department of Agriculture)

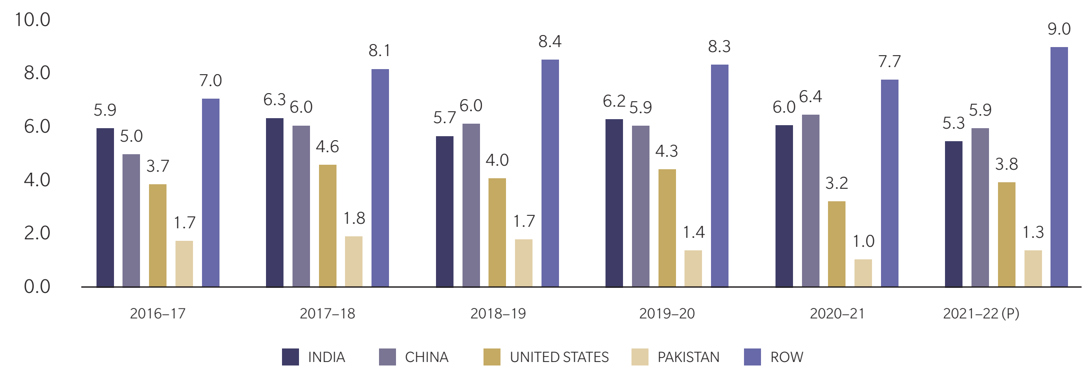
In 2020–21, India and China contributed approximately 51% of global cotton output. China regained the position of largest cotton producer in the world with a production output of 6.4 million metric tonnes, an increase of 8.3% over 2019–20. In 2020–21, India's share in global cotton production increased to 24.8% as compared to 23.8% in 2019–20, while China's share increased to 26.5% from 22.7%. Cotton production in US declined 26.6% after witnessing an increase of 8.4% in 2019–20. Principal causes of the reduction in U.S. stocks in 2020–21 were a smaller harvest and strong export demand.

2021–22 is expected to see increase in share of the US and other non-major cotton producing countries. Production in India and China are expected to be lower in 2021–22 compared to 2020–21 due to projected reduction in both area and yield.

The table on the right shows India's cotton production vis-à-vis China, the United States and Pakistan over the last 5 years and estimates for 2021–22.

Figure 18: Cotton Production: Region Wise

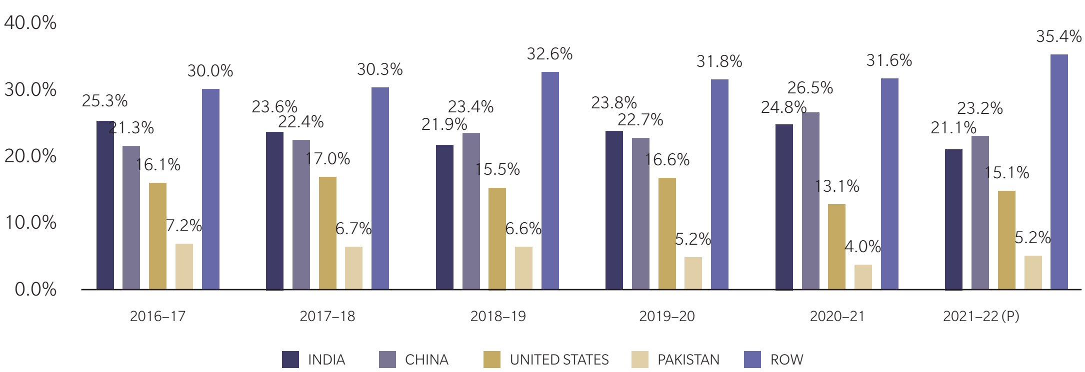
Million Metric Tonnes



(Source: Unites States Department of Agriculture (USDA)) P=Projection

Figure 19: Cotton Production Share: Region Wise

% Shares of Regions

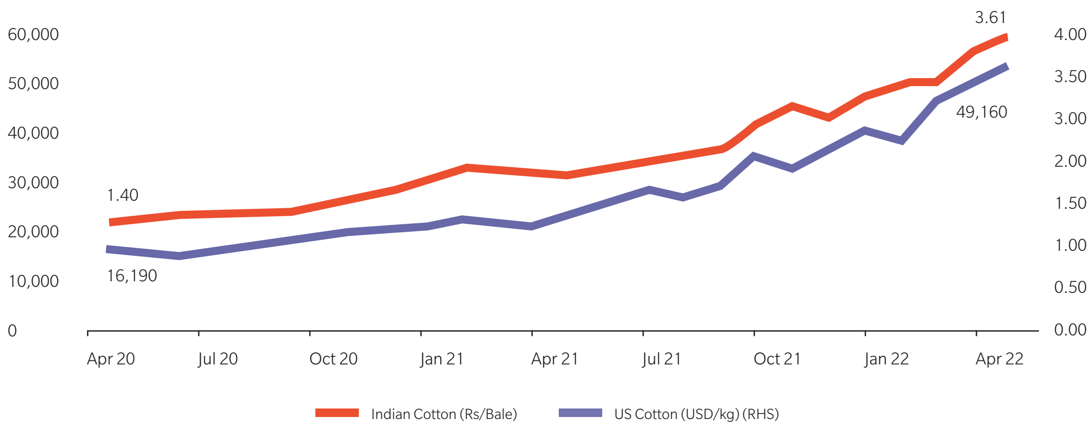


(Source: Unites States Department of Agriculture (USDA)) P=Projection

Global & Indian Cotton Prices

Global and domestic cotton prices continued to increase in FY22 and reached a 11-year high on account of continued strong demand and reduction in cotton production by the major producers. During 2020–21 (Oct–Sep) crop period, the global cotton production declined 7.1% and on other hand global consumption increased 17.8% creating supply-demand mismatch. 2021–22 crop year started with lower inventory compared to previous crop year, which kept cotton prices at elevated levels even during the second half of fiscal 2022.

Figure 20: US Cotton Price



(Source: IndexMundi)

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

Table 3: World Cotton Balance Sheet

World Cotton Balance Sheet

Million Metric Tonnes	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23(P)
Beginning Stocks	17.5	17.6	17.7	21.3	19.2	18.3
Production	27.0	25.7	26.1	24.3	25.3	26.1
Supply	44.5	43.3	43.8	45.5	44.5	44.4
Consumption	26.7	26.2	22.5	26.5	26.1	26.1
Ending Stocks	17.6	17.7	21.3	19.2	18.3	18.3
Stocks/Use Ratio	**65.9%**	**67.5%**	**94.5%**	**72.4%**	**70.2%**	**70.2%**

China Balance Sheet

Million Metric Tonnes	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23(P)
Beginning Stocks	10.0	8.2	7.8	8.0	8.5	8.1
Production	6.0	6.0	5.9	6.4	5.9	6.0
Imports	1.2	2.1	1.6	2.8	1.8	2.2
Supply	7.1	8.1	7.5	9.2	7.7	8.2
Consumption	8.9	8.6	7.2	8.7	8.1	8.2
Exports	0	0	0	0	0	0.0
Demand	8.9	8.6	7.2	8.7	8.1	8.2
Ending Stocks	8.2	7.8	8.0	8.5	8.1	8.1
Stocks/Use Ratio	**92.0%**	**89.9%**	**111.8%**	**98.1%**	**101.0%**	**99.5%**

India Balance Sheet

Million Metric Tonnes	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23(P)
Beginning Stocks	1.7	2.0	1.9	3.4	2.6	1.7
Production	6.3	5.7	6.2	6.0	5.3	6.0
Imports	0.4	0.4	0.5	0.2	0.2	0.4
Supply	6.7	6.1	6.7	6.2	5.6	6.4
Consumption	5.3	5.3	4.5	5.7	5.6	5.4
Exports	1.1	0.8	0.7	1.3	0.9	0.8
Demand	6.4	6.1	5.2	7.0	6.4	6.2
Ending Stocks	2.0	1.9	3.4	2.6	1.7	1.8
Stocks/Use Ratio	**31.88%**	**30.92%**	**66.18%**	**37.08%**	**26.92%**	**29.40%**

(Source: United States Department of Agriculture) P = Projection

Our Risks & Opportunities

Himatsingka Seide Limited ("HSL/ The Company") believes in value protection and enhancement through Risk Management strategy.

HSL has a structured process and a balanced approach of identifying potential risks to the organization. The Company has a defined strategy for eliminating or mitigating the risks, as well as the mechanisms to effectively monitor and evaluate organizational Risks. The assessment of Enterprise Risk Management with a view to identify any new risks due to change in business model, external environment, Govt Regulations etc are carried out periodically.

Risk Factors	Risk	Mitigation
Customer Concentration	Dependence on few large customers / brands in North America and their ability to increase volumes.	HSL has exclusive license agreements with Brand owners and business is appropriately spread across licensed brands and own private labels. The Company is continuously focusing on opportunities in identifying new customers across new geographies.
Market Dynamics	Failure to anticipate and respond to changes in consumer preferences purchasing behavior and market trends.	The Company has an in-house development team working constantly with brands and studying product sensitivities in the market. In line with consumer preferences, the Company manufactures bed-linen / towels with increased demand in anti microbial / anti bacterial finishes.
	Risk of shift in consumer spending pattern leading to decreased sales; on account of high inventory holding by retailers and increase in inflation.	The company has already explored the E-commerce business and expecting to progress significantly in future.HSL is closely monitoring inflation situation in US market and inventory levels maintained by retailers. Production and shipping patterns are being altered accordingly.
Revenues	Risk of customers / brands rationalizing the sales price of products impacting overall earnings / revenue.	HSL has exclusive license agreement with Brand owners. Product rationalization is done in discussion with retailers without impacting the product feature and utility. Negotiations with brands are being carried out on continuous basis for price revisions due to increase in cotton prices.
Raw Materials	Dependency on foreign / single source of supply for raw materials leading to pricing pressures when considering alternatives during time of unavailability	The Company has longer dated agreements with vendors for supply of materials at fixed prices.
	Adverse impact on margins on account of steady and continuous increase of Cotton procurement price.	Negotiations with brands are being carried out for price revisions due to increase in cotton prices. Successfully completed negotiations for few brands The Company is closely monitoring movement in cotton prices and corresponding pricing pressure and margin impact.
Logistics and Supply Chain	Non availability of adequate and self-sufficient supply chain and logistics.	Majority of exports are carried out by nominated forwarders. Company has entered agreement / fixed rate contracts with freight forwardersto ensure availability of containers and coordination with nominated forwarders of customers for other shipments on a continuous basis.
	Increase in shipping cost on account of global rise in ocean freight costs.	Appropriate measures have been put in place to monitor ocean freight costs and enforce adherence to agreed rates. Consequent impact on costs and margins are also being monitored.

Risk Factors	Risk	Mitigation
Regulatory	Non-compliance to statutory requirements and country specific regulations may lead to business sanctions, management indictments, compounding fees or penalties.	Company has in place mechanism to track and ensure regular and periodic compliances applicable to the Company.
Environmental, health and safety	Accidents involving significant injuries, loss of life or damages to equipment/facilities. Risk of employees/workers being affected by Covid-19 and ability to meet obligations in view of Covid-19.	Regular trainings/adequate awareness on the safety requirements is done. Random audits / visits are performed by the OHC team. Use of PPE / masks, regular sanitization has been made mandatory. COVID-19 care center was established during the pandemic phase and continues to be in operation.
Liquidity and Credit Risk	Insufficient short-term liquidity and asset liability mismatch may affect the company's ability to meet short term and long-term obligations. Adverse impact on working capital requirements on account of increase in Repo rate by RBI and consequently hike in interest rates of lending institutions in India.	Rolling plans are prepared and reviewed. Company has a clear visibility for next 150 -180 days cash flow estimates. Company has in place a strategy of availing working capital loans from diversified bankers; continuous rebalancing of debt portfolios to avoid mismatch in short term/long term.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

Independent External Assurance

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

Internal Assurance

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

Governance Structures & Policies

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

HUMAN RESOURCES

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

Learning & Development

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

Diversity & Quality in the Talent Pool

The Company engages over 10,000 people across its businesses and continues to invest in and nurture its talent pool in order to align with the broader vision of the Company. It ensures diversity in workforce by promoting employees to maintain their identity, while adhering to the Company's values and behaviour. Concentrated effort on gender, age and regional diversity has been initiated through workshops and training programs.

Human Resource Transformation

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

Analysis of Consolidated Financials

CONSOLIDATED INCOME STATEMENT SUMMARY — FY 22

(₹ Lacs)

Particulars	Consolidated		
	2021–22	2020–21	Change %
Revenue from Operations	3,18,395	2,25,832	41.0%
Other Income	1,962	1,421	38.1%
Total Revenue	3,20,357	2,27,253	41.0%
Cost of Materials Consumed	1,64,413	1,23,764	32.8%
As a % of Revenue	51.64%	54.80%	-5.8%
Employee Benefit Expenses	32,719	25,933	26.2%
Other Expenses	68,233	47,239	44.4%
EBITDA	**54,992**	**30,317**	**81.4%**
Depreciation	15,842	15,245	3.9%
EBIT	**39,150**	**15,072**	**159.8%**
Interest and Finance Cost	18,117	17,720	2.2%
Profit Before Tax	21,033	-2,648	894.1%
Profit After Tax	**14,082**	**-5,335**	**363.9%**

Revenue Analysis:

» Consolidated Total Revenues for the year increased by 41.0 % and stood at ₹ 3,20,357 lacs. This growth was primarily driven on account of volumes across categories and a robust performance from our global portfolio of brands.

» Revenues from brands for FY 22 stood at ₹ 2,26,129 lacs versus ₹ 1,79,829 lacs during FY21.

Expenditure Analysis:

» The cost of materials consumed stood at ₹ 1,64,413 lacs during the year. Material costs as a percentage of revenue from operations decreased from 54.8 % to 51.64%.

» Employee benefit expenses stood at ₹ 32,719 lacs as compared to ₹ 25,933 lacs and as a percentage of total revenue, employee benefit expense stood at 10.21% in FY22 as compared to 11.41% in FY21.

» Total operating expenses stood at ₹ 2,65,365 lacs in FY 22 vs ₹ 1,96,936 lacs during the previous year.

» Interest and finance charges increased by 2.2% to ₹ 18,117 lacs in FY 22 as compared to ₹ 17,720 lacs in FY 21.

Profitability Analysis:

» The consolidated EBITDA increased by 81.4% to ₹ 54,992 lacs in FY22 versus ₹ 30,317 lacs in FY21. The consolidated EBITDA margins stood at 17.2% in FY 22 versus 13.3% during the previous year.

» The consolidated EBIT increased by 159.8% to ₹ 39,150 lacs versus ₹ 15,072 lacs during the previous year. The consolidated EBIT margins stood at 12.2% versus 6.6% during the previous year.

» The consolidated Profit after tax for the year stood at profit of ₹ 14,082 lacs versus loss of ₹ 5,335 lacs during the previous year.

CONSOLIDATED BALANCE SHEET

The analysis of our consolidated Balance Sheet as on 31st March 2022 is as below:

(₹ Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment *	2,81,484	2,93,301
Goodwill	48,415	47,334
Other Financial Assets	21,701	17,380
Deferred Tax Assets, (Net)	1,650	1,650
Non-Current Income Tax Assets (Net)	1,360	1,045
Other Current and Non-Current Assets	38,640	22,912
Inventories	1,13,125	79,548
Trade Receivables	39,946	33,151
Cash And Cash Equivalents^	18,042	14,438
Total Assets	**5,64,363**	**5,10,759**
Equity Share Capital	4,923	4,923
Other Equity	1,42,048	1,26,599
Total Borrowings	2,80,541	2,46,651
Current and Non-Current Provisions	3,445	2,972
Deferred Tax Liabilities (Net)	9,723	6,773
Current and Non-Current Other Liabilities	30,218	31,731
Trade Payables	70,826	60,959
Other Current and Non-Current Financial Liabilities	18,097	27,695
Current Income Tax Liabilities (Net)	4,542	2,456
Total Liabilities	**5,64,363**	**5,10,759**

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

Analysis of Assets

Property, plant and equipment including CWIP and intangible assets increased by ₹ 11,817 lacs as a part of budgeted capital expenditure.

Goodwill decreased by ₹ 1,081 lacs to ₹ 48,415 lacs on account of the depreciation of the Rupee against the US Dollar.

Cash and cash equivalents including current investments increased by 3,604 lacs and stood at ₹ 18,042 lacs versus ₹ 14,438 lacs in the previous year.

Analysis of Equity and Liabilities

The Consolidated Net Worth of the Company increased from ₹ 131,522 lacs during FY 21 to ₹1,46,971 lacs in FY 22 mainly due to higher profits.

Total borrowings increased from ₹ 2,46,651 in FY 21 to ₹ 2,80,541 lacs in FY 22 due to additional borrowings and enhanced workings capital requirements across business.

Trade Payables stood at ₹ 70,826 lacs versus ₹ 60,959 lacs during the previous year.

KEY CONSOLIDATED FINANCIALS & RATIOS

(₹ Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Income	3,20,357	2,27,253
EBITDA	54,992	30,317
EBIT	39,150	15,072
Net Profit after Tax	14,082	-5,335
Net Worth	1,46,971	1,31,522
Net Debt	2,73,565	2,44,870
Net Profit Margin	4.4%	-2.3%
Operating Profit Margin	17.2%	13.3%
Leverage Ratios		
Net Debt/Equity (Times)	1.86	1.86
Interest Coverage Ratio (Times)	2.16	0.85
Capital Efficiency Ratios		
Return on Equity (ROE)	10.1%	-4.0%
Return on Capital Employed (ROCE)	9.4%	3.7%
Working Capital Ratios		
Inventory Days	110	152
Receivable Days	42	36
Payable Days	76	79

Statutory Reports

Board's Report

Your Directors are pleased to present the Thirty Seventh Annual Report on the operations and performance of your Company, together with Audited Financial Statements and Auditor's Report for the year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

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

Particulars	Standalone			Consolidated		
	2021-22	**2020-21**	**Change %**	**2021-22**	**2020-21**	**Change %**
Revenue from Operations	2,85,898	168,191	69.98	3,18,395	225,832	40.99
Other Income	1,994	2,805	(28.91)	1,962	1,421	38.07
Total Revenue	2,87,892	170,996	68.36	3,20,357	227,253	40.97
EBITDA	48,455	33,412	45.02	54,992	30,317	81.39
EBITDA Margin (%)	16.95%	19.87%	(14.68)	17.27%	13.42%	28.66
EBIT	37,070	22,525	64.57	39,150	15,072	159.75
Profit before tax	22,384	8133	175.22	21,033	(2,648)	(894.30)
Tax Expense	6,951	2,757	152.12	6,951	2,686	158.79
Profit after tax	15,433	5375	187.13	14,082	(5,335)	(363.96)

2. BUSINESS HIGHLIGHTS

Some key highlights of FY22 are as follows:

- The Consolidated Total Revenue for Financial Year 2021-22 increased by 40.97% and stood at an all time high of Rs 320,357 lacs and the Consolidated EBITDA increased by 81.39% and stood at Rs 54,992 lacs.
- During the fiscal the demand for the Company's products continued to be robust and helped to cross the Rs. 3200 Crores mark in consolidated total revenues. However, the operating profitability was adversely impacted during the fiscal on the back of unprecedented levels of raw material costs, energy costs and supply chain cost. As a result the EBIDTA margins were muted in FY 2022.
- In view of the current demand and inflation environment, the organic capital expenditure to debottleneck the Sheeting and Terry Towel plants has been deferred for additional 6 months till H2 FY23 and shall be undertaken once demand and other parameters stabilize.
- The current fiscal also saw the second and third waves of Covid-19 pandemic and the continuing Covid protocols ensured that the operations at the plants were not impacted.
- During FY 22, the revenue from brands stood at ₹ 226,129 lacs compared to ₹ 179,829 lacs in FY 21.

3. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of Business carried out by the Company during the period under review.

4. SHARE CAPITAL

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

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

5. DIVIDEND

The Board has recommended a dividend of 10% (₹ 0.5 per equity share) for the financial year ended March 31, 2022, subject to approval by the shareholders at the ensuing Annual General Meeting.

6. TRANSFER TO RESERVES

During the year the Company has not transferred any amount to Reserves.

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

As on March 31, 2022, the Company had the following subsidiaries and Joint Ventures:

Subsidiaries

- Himatsingka Wovens Private Limited, - (Wholly Owned Subsidiary)
- Himatsingka Holdings NA Inc, - (Wholly Owned Subsidiary)
- Himatsingka America Inc., (Step down Wholly Owned Subsidiary)

Joint Venture

- Twill & Oxford LLC*

*Twill & Oxford LLC, ("T&O") Joint Venture Company based out of Dubai has filed for voluntary liquidation and is currently undergoing liquidation under the laws of Dubai.

Consolidated Financial Statements

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

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

8. ANNUAL RETURN

As required under the Companies Act, 2013, the draft of the Annual Return for the year 2022 is available on the website of the company - https://www.himatsingka.com/investors/financial-reports?tab=annual_report_tab

9. PUBLIC DEPOSITS

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

10. BOARD OF DIRECTORS AND COMMITTEES

Composition of Board and changes thereto

As on March 31, 2022, the Board of the Company comprised of 7 (Seven) Directors out of which 4 (Four) were Independent Directors including one Independent Woman Director, 1 (One) Non-Executive Non-Independent Director, and 2 (Two) were Executive Directors both of whom are Promoter Executive Directors.

During the year under review, Ms. Manjiri Bhalerao, ceased to be the Nominee Director of the company by the virtue of withdrawal of Nomination by EXIM Bank with the effect from April 30, 2021.

The designation of Mr. V. Vasudevan (DIN: 07521742) was changed from Whole Time Director to Non-Executive Director of the Company effective May 29, 2021 and consequently he ceased to be a KMP of the Company.

Additionally, Mrs. Sangeeta Kulkarni (DIN: 01690333) resigned as an Independent Director due to pre-occupation with her own business and paucity of time and ceased to be a Director of the Company w.e.f. August 30, 2022.

Board Meetings

The Board met 5 (Five) times during the year under review and the intervening gap between the meetings was within the period prescribed under the Companies Act 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The details of the meetings and attendance thereof are provided in the Corporate Governance Report forming part of the Annual Report.

Board Committees

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

The details of the Composition of CSR Committee, the CSR Policy and the CSR spending have been elaborated in the Annexure-2 to this report.

Re-appointment of Director retiring by rotation

In accordance with the provisions of the Companies Act, 2013, and Articles of Association of the Company, Mr. V. Vasudevan, Non-Executive Director, (DIN: 07521742), retires by rotation and being eligible, offers himself for re-appointment. His re-appointment will be considered at the ensuing Annual General Meeting for seeking approval of shareholders.

Declaration by Independent Directors

The Company has received from each of its Independent Directors, the declaration as stipulated under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of Listing Regulations, confirming that the Director meets the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(b) of Listing Regulations. The Independent Directors have also declared compliance with Rule 6(1) and 6(2) of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

Directors' Responsibility Statement

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

a) in the preparation of the Annual Financial Statements for the year ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2021-22 and of the profit of the Company for that period;

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

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

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

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

Key Managerial Personnel (KMP)

During the year under review, the designation of Mr. V. Vasudevan (DIN: 07521742) was changed from Whole Time Director to Non-Executive Director of the Company effective May 29, 2021 and consequently he ceased to be a KMP of the Company. There was no other change in the Key Managerial Personnel during the year under review.

Board Performance Evaluation

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

11. AUDITORS AND AUDITORS' REPORTS

a) Statutory Audit

The report of Statutory Auditors M/s. BSR and Co., LLP, Chartered Accountants, for F.Y-2021-22 (appearing elsewhere in the Annual Report) does not have any qualification, reservation or adverse remarks.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereafter, M/s. BSR and Co., LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company and are to hold office until the conclusion of the 37th Annual General Meeting of the Company.

The Board at their meeting held on August 30, 2022, on the recommendation of the Audit Committee, has recommended to the members the appointment of M/s MSKA & Associates, Chartered Accountants, (FRN: 105047W), a Member Firm of BDO International, as the Statutory Auditors of the Company for a term of five years and their appointment is subject to approval by the members at the ensuing 37th AGM.

M/s MSKA & Associates, Chartered Accountants, (FRN: 105047W), have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed/reappointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

b) Secretarial Audit

The Company has appointed Mr. Vivek Bhat, Company Secretary in Practice, Bengaluru, to conduct the secretarial audit as required under Section 204 of the Companies Act, 2013. The report is appended as **Annexure 3** to this report.

In the abovementioned report, Mr. Vivek Bhat has made the following comment:

"A fine was levied by BSE Limited and National Stock Exchange of India Limited in respect of one day short notice for a Board Meeting under Regulation 29(2)/(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the Company. The fine has been duly paid."

c) Secretarial Compliance Report

The Company has appointed Mr. Vivek Bhat for issuing Annual Secretarial Compliance Report under Regulation 24A of Listing Regulations which is appended as **Annexure 4** to the Board's Report.

In the abovementioned report, Mr. Vivek Bhat has made the following comment:

"There were no actions taken against the Company/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under except for the fine levied by BSE Limited and National Stock Exchange of India Limited in respect of one day short notice for a Board Meeting under Regulation 29(2)/(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the Company. The fine has been duly paid."

Board's Response

The fine levied by BSE Limited and National Stock Exchange of India Limited on the Company was in respect of one day short notice pertaining to an enabling resolution for issue of securities, proposed to be taken up at a Board Meeting. The fine has been duly paid. The Company has not acted upon the abovesaid enabling resolution.

d) Cost Auditors

Since the Company's export revenue in foreign exchange, for the financial year 2021-22 was greater than 75% (seventy five percent) of the total revenue of the Company, the Company falls within the exemption specified in Clause 4(3) of The Companies (Cost Records and Audit) Rules, 2014. In view of this, there is no requirement to furnish cost audit of cost records of the Company for its units at Hassan and Doddaballapur.

e) Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company have reappointed Grant Thornton India LLP for carrying out the Internal Audit of the Company for the financial year 2022-23. The audit committee of the Board of Directors in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the internal audit.

f) Internal Financial Controls (IFC)

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

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

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

g) Fraud Reporting

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

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

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

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into by the Company with its related parties are at arm's length and in the ordinary course of business. However, the list of material related party transactions as per the Company's policy on related party transactions, as required under rule 8(2) of Companies (Accounts) Rules, 2014, is annexed to the Board's Report as **Annexure 5**.

14. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS/ COURTS

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

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A statement containing the necessary information on Conservation of energy, Technology absorption and Foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure-6**.

16. RISK MANAGEMENT

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

17. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) The remuneration of Directors is given herein below: **(Amounts Rupees in Lacs)**

Director	DIN	Sitting fees	Salaries and perquisites	Profit linked Commission	Total	Ratio to Median remuneration of employees	Percentage (%) increase/ (Decrease) over previous year
Mr. D K Himatsingka	00139516	Nil	219.27	260.00	479.27	242.26:1	237.04
Mr. Shrikant Himatsingka	00122103	Nil	234.14	Nil	234.14	118.35:1	64.65
Mr. V. Vasudevan*	07521742	3.50	27.80	Nil	31.30	77.79:1	(76.15)
Mr. Rajiv Khaitan	00071487	7.00	Nil	10.00	17.00	8.59:1	11.48
Ms. Sangeeta Kulkarni#	01690333	4.50	Nil	10.00	14.50	7.33:1	5.45
Mr. Pradeep Bhargava	00525234	8.00	Nil	10.00	18.00	9.10:1	15.16
Mr. Raja Venkataraman	00669376	6.50	Nil	10.00	16.50	15.82:1	10.89

* Change in designation of Mr. V. Vasudevan and terms of appointment w.e.f. May 29, 2021.

** EXIM Bank Withdrew the nomination of Ms Manjiri Bhalerao as Nominee Director w.e.f. April 30, 2021.

Ceased as Director of the Company with effect from August 30, 2022.

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

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

Key Managerial Personnel	Designation	Percentage Increase/(Decrease) in the remuneration, if any
Mr. K P Rangaraj	President - Finance and Group CFO	44.03
Mr. Sridhar Muthukrishnan	Company Secretary & Compliance Officer	44.36

c) The percentage increase in median remuneration of the employees is 16.90 %

d) The number of permanent employees in the rolls of the Company is 8,687

e) The average increase in the salaries of managerial personnel during the year was 53.54% and the average increase in the salaries of employees other than managerial personnel was 11.78%.

f) The variable component of remuneration were availed by the Executive Directors to the extent as below:

Director	% of variable component availed
Mr. D.K. Himatsingka	50%
Mr. Shrikant Himatsingka	Nil

g) During the year, there were no employees (including KMP) whose remuneration was higher than that of the highest paid director.

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

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

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

18. INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividend aggregating to Rs 1,023,003. Further, 21,311 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. Year-wise amounts of unpaid / unclaimed dividends lying in the unpaid account up to the year, and the corresponding shares, which are liable to be transferred are provided in the Shareholder Information section of Corporate Governance Report and are also available on our website - **https://www.himatsingka.com/investors/shareholder-information?tab=dividend_tab**

19. INSURANCE

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

20. POLICIES

a) Whistle Blower Mechanism

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

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

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

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

The details of complaints received under this mechanism are provided in the Corporate Governance Report forming part of the Annual Report.

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

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

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

c) Nomination and Remuneration Policy

The Company has formed a Nomination and Remuneration Committee as required under Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. The Committee has formulated a policy as required under Section 178(3) of Companies Act, 2013 and Regulation 19 read with Schedule II to the Listing Regulations, stipulating the criteria for determining qualifications, positive attributes and independence of a director and also the criteria relating to the remuneration of the directors, key managerial personnel, senior management personnel and other employees and their performance evaluation. Pursuant to the proviso of sub-section (4) of Section 178 of the Companies Act, 2013, the aforesaid policy is available on the Company's website - **https://www.himatsingka.com/investors/corporate-governance**

d) Dividend Distribution Policy

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

e) Policy for determining material subsidiaries

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

f) Policy on Related Party Transactions:

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

g) Corporate Social Responsibility

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

21. CORPORATE GOVERNANCE

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

22. MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

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

23. BUSINESS RESPONSIBILITY REPORT (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for the top 1,000 listed entities based on market capitalization. As per the market capitalization on March 31, 2022, the Company is within the purview of top 1000 companies. The Business Responsibility Report is in line with the key principles enunciated in the 'National Voluntary Guidelines on Responsible Business Conduct' framed by the Ministry of Corporate Affairs. It forms part of the Annual Report.

24. PENDING PROCEEDINGS UNDER THE IBC CODE, 2016

There is no proceeding pending under the IBC Code, 2016 for the Financial Year 2021-22.

25. VALUATION FOR LOANS OBTAINED FROM FINANCIAL INSTITUTIONS/ BANKS

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

Acknowledgement

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

Place: Bengaluru

For and on behalf of the Board

Date: August 30, 2022

D.K. Himatsingka
(Executive Chairman)

Annexures to the Boards' Report

ANNEXURE-1 STATEMENT REGARDING SUBSIDIARY COMPANIES AS OF MARCH 31, 2022

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

Form AOC-1

Part "A" Subsidiaries **(Rs in Lacs)**

Sl. No	Name of the subsidiary	#T&O	HWPL	HHNA	HIMA
1	Capital	61.84	1,750.00	96,967.03	71,337.84
2	Reserves	(56.21)	451.89	6,483.44	(29,356.82)
3	Total Assets	8.03	2,516.33	1,19,881.89	1,44,220.14
4	Total Liabilities ^	2.40	314.44	16,431.43	1,02,239.13
5	Investments*	-	-	-	21.55
6	Turnover	-	127.45	-	2,11,841.26
7	Profit/ (Loss) Before Tax	(2.81)	70.77	(0.99)	(1,720.68)
8	Provision for Taxation	-	(0.54)	1,397.12	6,204.76
9	Profit/ (Loss) After Tax	(2.81)	71.31	(1,398.10)	(7,925.44)
10	Proposed Dividend	-	-	-	-
11	Closing exchange rate	AED/20.6120	INR/1.00	USD/75.72	USD/75.72
12	Average exchange rate	AED/20.4887	INR/1.00	USD/75.2384	USD/75.2384

T&O= Twill & Oxford LLC, HWPL=Himatsingka Wovens Private Limited, HHNA= Himatsingka Holdings NA Inc., HIMA= Himatsingka America Inc.

^ excluding Capital and reserves and including current liabilities and provisions

*Other than in subsidiaries

Under Liquidation.

All subsidiaries above have their reporting period as March 31, 2022.

Part "B" Associate

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

For and on behalf of the Board of Directors

D. K. Himatsingka
(Executive Chairman)

Shrikant Himatsingka
(Managing Director & CEO)

K. P. Rangaraj
(Chief Financial Officer)

Sridhar Muthukrishnan
(Company Secretary)

Place: Bengaluru
Date: August 30, 2022

ANNEXURE - 2

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

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

2. Composition of CSR Committee as on March 31, 2022:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during
1	Mr. D.K. Himatsingka	Chairman	2	2
2	Mr. Shrikant Himatsingka	Member	2	0
3	Mr. Raja Venkataraman	Member	2	2
4	Mrs. Sangeeta Kulkarni	Member	2	2

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

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): NA.

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 Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1.	2021-2022	2.58 lacs	0.52 lacs

6. Average net profit of the company as per section 135(5) (Calculated for the last three financial years): Rs 21,731 lacs.

7. (a) Two percent of average net profit of the company as per section 135(5): Rs 434.63 lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Rs.2.58 lacs

   (c) Amount required to be set off for the financial year, if any: The amount of Rs 0.52 lacs spent is in excess of the budgeted amount. Company plans to set off the same in the year 2022-23 as per the provisions of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

   (d) Total CSR obligation for the financial year: Rs. 432.05 lacs

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

Total Amount Spent for the Financial Year. (Rs in Lacs)	Amount Unspent (in Rs.)				
	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 (Rs in Lacs)	Date of transfer.	Name of the Fund.	Amount.	Date of transfer.
432.57	270	30.03.2022	NIL	NIL	NIL

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl No	Name of the Project	Items 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 Rs)	Amount in the current financial year (in Rs)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs)	Mode of Implementation Direct (yes/no)	Mode of Implementation– Through Implementing Agency	
				State	District						Name	CSR Regn No
1	The St John's Geriatric Centre	Promoting health care including preventive health care under clause (i) of Schedule VII	No	Karnataka	Bangalore	2 years	2,70,00,000	-	2,70,00,000	No	Himatsingka Foundation	CSR00012698
2	Village Infrastructure Project Hassan	Rural Development Projects under clause (iii) of Schedule VII	Yes	Karnataka	Hassan	2 years	39,94,676	39,94,676	-	No	Himatsingka Foundation	CSR00012698

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

1	2	3	4	5		6	7	8	
Sl. 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 in the current financial Year (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1	Covid-19 mitigation and allied expenses	Promoting sanitation under clause (i) of Schedule VII	Yes	Karnataka	Bangalore	25,99,000	Yes	-	-
2	Deepshika Institute for Child Development & Mental Health	Special education to the differently abled under clause (ii) of Schedule VII	No	Jharkhand	Ranchi	15,00,000	No	Himatsingka Foundation	CSR00012698
3	Doddaballapur Industries Association	Rural Development under clause (x) of Schedule VII	Yes	Karnataka	Doddaballapur	2,00,000	No	Himatsingka Foundation	CSR00012698
4	Oxygen Concentrators	Promoting health care including preventive health care under clause (i) of Schedule VII	Yes	Karnataka	Hassan	13,77,600	Yes	-	-
5	Allied projects for Drinking water, sanitation and Covid related activities.	Promoting health care including preventive health care under clause (i) of Schedule VII	Yes	Karnataka	Hassan	48,47,914	No	Himatsingka Foundation	CSR00012698
6	Distribution of Food Kits	Eradicating hunger, poverty and malnutrition under clause (i) of Schedule VII	Yes	Karnataka	Hassan	3,24,140	No	Himatsingka Foundation	CSR00012698
7	Infrastructure support for Educational Institution	Promoting education under clause (ii) of Schedule VII	Yes	Karnataka	Hassan	14,13,388	No	Himatsingka Foundation	CSR00012698
	TOTAL					**1,22,62,042**			

(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: **Rs 432.57 lacs**

(g) Excess amount for set off, if any: **Rs 0.52 lacs**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	432.05 lacs
(ii)	Total amount spent for the Financial Year	432.57 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.52 lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.52 lacs

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Rs. 43.88 lacs in Financial year 2019-20**

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

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 (asset-wise details): **Not Applicable**

    (a) Date of creation or acquisition of the capital asset(s).

    (b) Amount of CSR spent for creation or acquisition of capital asset.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

D.K. Himatsingka
(Chairman, CSR Committee)

Shrikant Himatsingka
(Managing Director & CEO)

ANNEXURE -3

Form No. MR-3

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]

To,
The Members
HimatsingkaSeide Limited
10/24, Kumara Krupa Road
High Grounds, Bangalore – 560001

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Himatsingka Seide Limited for the financial year ended on 31st March, 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;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above. Certain non-material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management. *The fine was levied by BSE Limited and National Stock Exchange of India Limited in respect of one day short notice for a Board Meeting under Regulation 29(2)/(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the Company. The fine has been duly paid.*

I further report that

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

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

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

VivekBhat
Practicing Company Secretary
UDIN: F007708D000354846

Place: Bengaluru
Date: 20 May, 2022

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

ANNEXURE – A

To,
The Members
HimatsingkaSeide Limited
10/24, Kumara Krupa Road
High Grounds, Bangalore – 560001.

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

1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date: 20 May, 2022

Vivek Bhat
Practicing Company Secretary

SECRETARIAL COMPLIANCE REPORT
Of Himatsingka Seide Limited (CIN: L17112KA1985PLC006647) for the year ended 31st March, 2022

I, Vivek Bhat, Company Secretary, have examined:

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

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

c) Website of the Company,

d) Other relevant filings required to be made under other SEBI regulations which have been relied upon to make this certification, for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

Based on the above examination, I hereby report that, during the Review Period:

  a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

  b) The Company has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.

  c) There were no actions taken against the Company/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under *except for the fine levied by BSE Limited and National Stock Exchange of India Limited in respect of one day short notice for a Board Meeting under Regulation 29(2)/(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the Company. The fine has been duly paid.*

  d) The Company was not required to take any action as there were no observations made in previous report.

Vivek Bhat
Practicing Company Secretary
UDIN: F007708D000354857

Place: Bengaluru
Date: 20 May, 2022

ANNEXURE – 5

Details of Related Party Transactions pursuant to clause (h) of sub section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Sl no	Name of the Related Party	Nature of relationship	Nature of contract/ arrangement/ transaction	Salient terms	Rs Lacs
1	HHNA INC^	WoS^	Sale of goods (net)	Based on Transfer Pricing guidelines	-
			Interest income	Based on Transfer Pricing guidelines	-
			Expenses incurred on behalf of	Based on Transfer Pricing guidelines	-
			Investment in equity instruments	As per valuation report	8,440.83
			Inter corporate loans converted to equity	As per valuation report	-
2	HIMA INC^	WoS^	Sale of goods (net)	Based on Transfer Pricing guidelines	1,77,095.34
			Reimbursement of Expenses	Based on Transfer Pricing guidelines	86.85
			Marketing Commission	Based on Transfer Pricing guidelines	473.68
			Expenses incurred on behalf of	Based on Transfer Pricing guidelines	-
			Guarantees given	As per agreement	3,786.00
3	HWPL^	WoS^	Guarantees taken	As per agreement	2,064.87
4	HWPL	WoS	Rent expenses incurred	As per Agreement	78.75
5	Mrs. Akanksha Himatsingka	Relative of Key Managerial Personnel	Remuneration Paid	As per Shareholders Resolution dated August 28, 2021.	148.92

^HHNA INC = Himatsingka Holdings North America;
HIMA INC = Himatsingka America Inc;
HWPL=Himatsingka Wovens Private Limited
WoS = Wholly Owned Subsidiary

For and on behalf of the Board

Place: Bengaluru
Date: August 30, 2022

D. K. Himatsingka
(Executive Chairman)

ANNEXURE -6

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

A) CONSERVATION OF ENERGY:

a) The Company undertook the following steps for conservation of energy / utilizing alternate source of energy during the year 2021-22:

SL.No	Particulars	Conservation
1	Used TG extraction steam in Process Boiler deaerator	1,800 MT of coal saving/Annum
2	Transformer optimization according to load factor	37,595 Unit/Annum
3	HT cable Line loss reduction by optimum loading	4,25,590 Units/Annum
4	LED light in place of Sodium vapour & Conventional light	59,130 Units/Annum
5	In place of Chip on Board light LED light used	34,560 Units /Annum
6	Flat pully conversion in Spinning	77,015 Unit /Annum
7	OHTC centralised waste collection system	3,36,384 units/Annum
8	Condensate water recovery maximised in Terry plant	360 MT of coal saving/Annum
9	Optimization of dyeing process in shop floor dyeing machine	25,200 KL of water saved /Annum
10	Installation of yarn dyeing in place of conventional yarn dying	15,552 KL/annum process water & 1890 MT of steam/ annum saved
11	Transformer Optimization	87,600 Units/Annum
12	VFD Installed for humidity supply air fan	44,460 Units/Annum
13	VFD Installed for compressor	38,510 Units/Annum
14	Electronic ballast	1,84,163 Units/Annum
15	Renewable/Green Energy uses in place of Grid power.	By use of 17,75,000 Units/Annum & Co2 emission reduction-17,217 Tons/Year.

* MT: Metric Tonne

KL: Kilo Litre

B) TECHNOLOGY ABSORPTION:

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

1. Pulser Jet Yarn dyeing installation in-place of conventional yarn dyeing- Investment Rs. 3 crores.
2. High efficiency MBR technology installed in CETP in place of Conventional Clarifier - Investment Rs. 3.5 Crores
3. Multi Effect Evaporation installed on CETP High efficiency and high capacity - Investment Rs. 5.45 crores
4. Installation of MEE Cum ATFD plant - Investment Rs. 1.68 crores
5. Added one new Embroidery machine with latest technology and fully loaded facility in the current year and hence increasing the Embroidery capacity by 16%, bringing more production versatility - Investment Rs. 1 crore.

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

- Benefits from the efforts above include cost rationalization, lesser usage of natural resources and enhancement of productivity including operating efficiencies and optimal resource utilization.
- Technology absorption efforts also pave the way for creating unique products that help the Company maintain sustainable competitive advantages and position it to be a preferred partner.
- Zero liquid discharge from the plant.

c) Information regarding imported technology: Not applicable

d) Expenditure on R&D

- For the year 2021-22, the Company incurred Rs. 595.91 lacs towards recurring expenditure on R&D. The total R&D expenditure as a percentage of turnover is 0.19%.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Rs lacs
Earnings:	
Export (FOB Value)	2,50,910.30
Outgo:	
Import of raw materials and other inputs	37,296.51
Other expenses	231.06
Net foreign exchange earnings from operations	**2,13,382.73**
Import of capital goods	354.70

Corporate Governance Report

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

1. COMPANY'S GOVERNANCE PHILOSOPHY

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

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

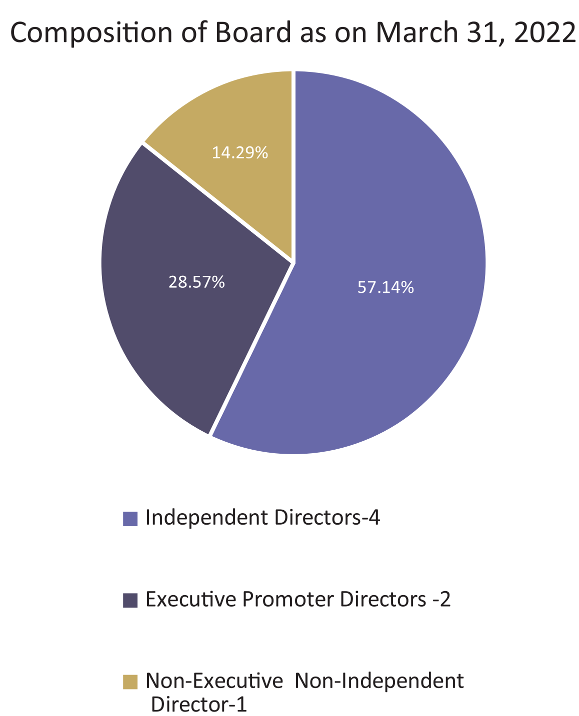
Himatsingka continues to focus its resources and capabilities to ensure Corporate Governance practices are current, relevant and sustainable in order to safeguard the interest of stakeholders and strengthen the very foundation and principles on which the Company builds and expands businesses.

2. BOARD OF DIRECTORS (BOARD)

i) Composition and meetings of Board

The Company has a balanced mix of Executive Directors and Non-Executive Directors. As on March 31, 2022, the Board of Directors comprised of 7 (Seven) Directors, of which 4 (Four) were Independent Directors including one Independent Woman Director, 1 (One) Non-Executive Non-Independent Director, and 2 (Two) were Executive Directors both of whom are Promoter Executive Directors. The Chairman is an Executive Director and Promoter of the Company. The composition of the Board is in accordance with Regulation 17(1) of Listing Regulations.

The composition of Board of Directors as on March 31, 2022 is depicted herein below:



Directorship & Committee Membership Matrix

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

Name	Category #	No. of Directorships held in other companies (Note 1)	No. of Memberships and Chair-personship in Committees of other public companies (Note 2)		No. of shares held by Directors
			Member	Chairperson	
Mr. D K Himatsingka	PED	2	Nil	Nil	1,19,02,000
Mr. Shrikant Himatsingka	PED	6	Nil	Nil	85,46,964
Mr. V. Vasudevan	NE, NI	1	Nil	Nil	Nil
Mr. Rajiv Khaitan	NE, I	4	Nil	Nil	4,200
Mr. Pradeep Bhargava	NE, I	4	3	0	Nil
Mr. Raja Venkataraman	NE, I	6	3	3	Nil
Mrs. Sangeeta Kulkarni*	NE, I	5	Nil	Nil	Nil

PED = Promoter Executive Director, NE = Non-Executive, I = Independent, NI = Non-Independent.

*Mrs. Sangeeta Kulkarni (DIN: 01690333) resigned as an independent director due to pre occupation with her own business and paucity of time and ceased to be a Director of the Company. w.e.f. August 30, 2022.

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

None of the Directors on the Board is a Member on more than 10 Committees and Chairperson of more than 5 Committees as specified in Regulation 26 of Listing Regulations, across all the listed companies in which he or she is a Director. All the Directors have made the necessary disclosures regarding their Committee positions in other companies as on March 31, 2022.

Notes:

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

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

Attendance of Directors during the year 2021-22

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

Five Board Meetings were held during the year on the following dates: May 29, 2021; July 31, 2021; August 13, 2021; November 12, 2021 and February 12, 2022.

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

Directors' Attendance Matrix

Name	AGM August 28, 2021	Board Meeting					Held during the year	Attended during the year	Percentage of Attendance
		May 29, 2021	July 31, 2021	August 13, 2021	November 12, 2021	February 12, 2022			
Mr. D K Himatsingka	√	√	-	√	√	√	5	4	80%
Mr. Shrikant Himatsingka	√	√	√	√	√	√	5	5	100%
Mr. V. Vasudevan (Note 1)	√	√	√	√	√	√	5	5	100%
Mr. Rajiv Khaitan	√	√	√	√	√	√	5	5	100%
Mr. Pradeep Bhargava	√	√	√	√	√	√	5	5	100%
Mr. Raja Venkataraman	√	√	√	√	√	√	5	5	100%
Mrs. Sangeeta Kulkarni	√	√	√	√	√	√	5	5	100%

√- Attended

Notes:

1. Change in Designation of Mr. V. Vasudevan from Executive Director to Non-Executive Non-Independent director with effect from May 29, 2021.
2. Ms. Manjiri Bhalerao ceased to be the director of the Company by the virtue of withdrawal of Nomination by EXIM Bank with the effect from April 30, 2021, no board meetings were held during her tenure in the financial year.

ii) Directorship in other Listed Companies

Mr. Pradeep Bhargava is an Independent Director in Automotive Stampings & Assemblies Limited.

Mr. Raja Venkatraman is an Independent Director in Amrutanjan Healthcare Limited.

Mr. Rajiv Khaitan is an Independent Director in Emami Ltd.

iii) Board of Directors – Competency matrix

Name of the Director	Textile Industry experience	Factory Operations and processes	Broad management perspective and experience	Interpretation of Financial Statements	Thorough Legal expertise involving corporate law, contracts	Risk Management
Mr. D K Himatsingka	√	√	√	√		√
Mr. Shrikant Himatsingka	√	√	√	√		√
Mr. V. Vasudevan	√	√	√			√
Mr. Rajiv Khaitan			√	√	√	√
Mr. Pradeep Bhargava		√	√	√	√	√
Mrs. Sangeeta Kulkarni			√	√	√	√
Mr. Raja Venkataraman		√	√	√	√	√

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

iv) Code of Conduct

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

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

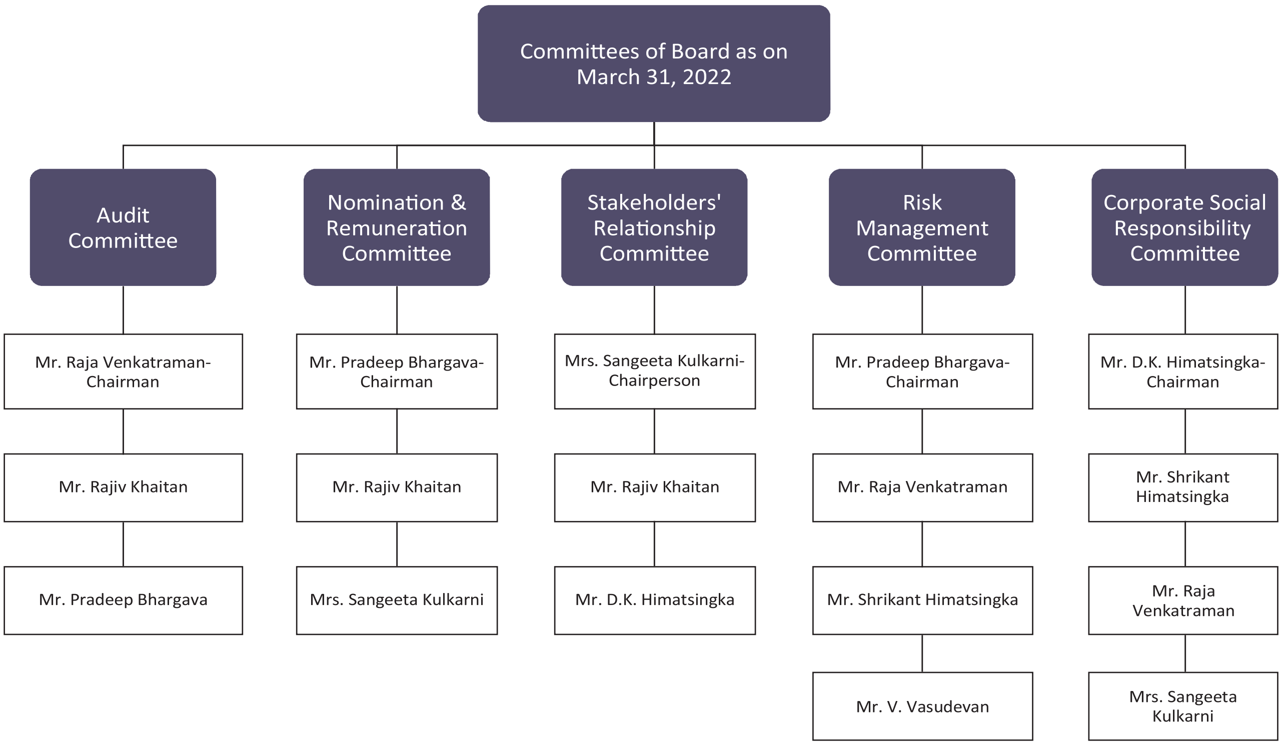
v) Familiarization Programme and Training

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

vi) Re-appointment of Directors

In terms of Section 152 of the Companies Act 2013, Mr. V Vasudevan, Non-Executive Director, (DIN: 07521742) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Nomination & Remuneration Committee at their meeting held on August 30, 2022 has recommended for re-appointment of Mr. V Vasudevan, Non-Executive Director, and the same shall be taken up at the ensuing Annual General Meeting for approval of the shareholders.

3. COMMITTEES OF BOARD



i) Audit Committee

As at March 31, 2022, the Audit Committee comprised of 3 (Three) Members namely Mr. Raja Venkataraman, Mr. Rajiv Khaitan and Mr. Pradeep Bhargava, Independent Directors. Mr. Shrikant Himatsingka, Managing Director & CEO is a permanent invitee to the Committee.

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

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

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

The functions of the Audit Committee includes the following:

Sl. No.	Role/Functions
1	The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
2	Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
3	Examination of the financial statement and the Auditors' report thereon;
4	Approval or any subsequent modification of transactions of the company with related parties;
5	Scrutiny of inter-corporate loans and investments;
6	Valuation of undertakings or assets of the Company, wherever it is necessary;
7	Evaluation of internal financial controls and risk management systems;
8	Monitoring the end use of funds raised through public offers and related matters;
9	Information to ensure that the financial statement is correct, sufficient and credible;
10	Oversight of the Company's financial reporting process and the disclosure of its financial;
11	Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
12	Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to: a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause of sub-section 3 of section 134 of the Companies Act, 2013; b. Changes, if any, in accounting policies and practices and reasons for the same c. Major accounting entries involving estimates based on the exercise of judgment by management d. Significant adjustments made in the financial statements arising out of audit findings e. Compliance with listing and other legal requirements relating to financial statements f. Disclosure of any related party transactions g. Qualifications in the draft Audit Report
13	Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
14	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;
15	Review and monitor the auditor's independence and performance, and effectiveness of audit process;
16	Approval or any subsequent modification of transactions of the company with related parties;
17	Scrutiny of inter-corporate loans and investments;
18	Valuation of undertakings or assets of the company, wherever it is necessary;
19	Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
20	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;
21	Discussion with Internal Auditors of any significant findings and follow up there on;
22	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;
23	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;
24	To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
25	To review the financial statements and investments made by unlisted subsidiaries of the Company;
26	To review the functioning of the Whistle Blower mechanism;
27	Review of Compliance with Company's Insider Trading Policy;
28	To review the utilization of loans and/ or advances from/investment by the company in its subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
29	To consider and comment on rationale, cost benefits and impact of schemes including merger, demerger, amalgamation etc. on the listed entity and its shareholders.

Attendance of the Directors at the Audit Committee Meetings held:

During the year 2021-22, the Audit Committee met five times on the following dates: May 29, 2021; July 31, 2021; August 13, 2021; November 12, 2021 and February 12, 2022. The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting. The Chairperson of the Committee was present in all the meetings held. The attendance of the members for the year 2021-22 is as under:

Name of Director	Position	Date of Committee Meetings					Held during the year	Attended during the year	Percentage of Attendance
		29.05.21	31.07. 21	13.08. 21	12.11.21	12.02.22			
Mr. Raja Venkataraman	Chairperson	√	√	√	√	√	5	5	100%
Mr. Pradeep Bhargava	Member	√	√	√	√	√	5	5	100%
Mr. Rajiv Khaitan	Member	√	√	√	√	√	5	5	100%

Mr. Shrikant Himatsingka, Managing Director & CEO, Permanent Invitee to the Committee attended all the meetings held during the year.

Notes:

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

ii) Nomination and Remuneration Committee

Nomination and Remuneration Committee as on March 31, 2022 comprised of three members namely, Mr. Pradeep Bhargava, Mr. Rajiv Khaitan and Mrs. Sangeeta Kulkarni, Independent Directors. Mr. Pradeep Bhargava, is the Chairperson of the Committee.

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

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

Sl. No.	Role/ Functions
1	Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2	Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3	Devising a policy on diversity of board of directors;
4	Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
5	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;
6	Recommend to the board, all remuneration, in whatever form, payable to senior management;

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

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

During the year 2021-22, the Committee met three times on May 28, 2021; July 31, 2021; and February 11, 2022. The Committee also transacts urgent business by way of Resolution by circulation. The attendance of the members for the year 2021-22 is as under:

Name of Director	Position	Date of Committee Meetings			Held during the year	Attended during the year	Percentage of Attendance
		28.05.2021	31.07.2021	11.02.2022			
Mr. Pradeep Bhargava	Chairperson	√	√	√	3	3	100%
Mr. Rajiv Khaitan	Member	√	√	√	3	3	100%
Mrs. Sangeeta Kulkarni	Member	√	√	√	3	3	100%

√- Attended

Notes:

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

Remuneration of Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing and Executive Directors. In addition to sitting fees, Commission is paid to Non-Executive Directors. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Nomination and Remuneration Committee and Board of Directors at the end of the financial year, subject to overall ceiling stipulated in Sections 197 of the Companies Act, 2013. The remuneration is closely linked to the performance of the Company.

Given below are the details of Directors Remuneration during the financial year 2021-22 **(Rs. in Lacs)**

Name	Sitting fees	Salaries and perquisites	Profit linked Commission	Total
Mr. D K Himatsingka	Nil	219.27	260.00	479.27
Mr. Shrikant Himatsingka	Nil	234.14	Nil	234.14
Mr. V. Vasudevan	3.50	27.80	Nil	31.30
Mr. Rajiv Khaitan (Note 1)	7.00	Nil	10.00	17.00
Mrs. Sangeeta Kulkarni	4.50	Nil	10.00	14.50
Mr. Pradeep Bhargava	8.00	Nil	10.00	18.00
Mr. Raja Venkataraman	6.50	Nil	10.00	16.50

Notes:

1. Paid to Khaitan and Co. LLP

The Contract tenures of the Executive Directors are as follows:

Sl. No	Name	Tenure
1.	Mr. D. K. Himatsingka	From April 1, 2019 to March 31, 2024
2.	Mr. Shrikant Himatsingka	From June 3, 2018 to June 2, 2023

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

(Rs. in Lacs)

Name of the Director	Purpose	Amount
Mr. Rajiv Khaitan	Professional fees paid to M/s. Khaitan & Co. LLP	23.23
Mr. V. Vasudevan	Professional fees paid	20.00

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

Criteria for making payments to Non-Executive Directors:

The shareholders of the Company at the AGM dated September 22, 2018, have approved for payment of Commission on the net profits of the Company not exceeding 1% per annum computed in accordance with Section 197 of the Companies Act, 2013 for a period of five years till March 31, 2024.

Performance Evaluation Criteria for Independent Directors:

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

iii) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee as on March 31, 2022, comprised of 3 (three) members namely Mrs. Sangeeta Kulkarni, Mr. Rajiv Khaitan, Independent Directors and Mr. D. K. Himatsingka, Executive Chairman. Mrs. Sangeeta Kulkarni, Independent Director is the Chairperson of the Committee.

Mr Sridhar Muthukrishnan is designated as the Compliance Officer of the company.

The constitution of the Committee is in conformation with the requirements under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee caters to redressing the complaints of shareholders and investors like transfer of shares, non-receipt of annual reports, non-receipt of declared dividend and related matters etc.

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

During the year 2021-22, the Committee met four times on May 29, 2021; August 13, 2021; November 12, 2021 and February 12, 2022. The attendance of the members for the year 2021-22 is as under:

Name of Director	Position	Date of Committee Meetings				Held during the year	Attended during the year	Percentage of Attendance
		29.05.2021	13.08.2021	12.11.2021	12.02.2022			
Mrs. Sangeeta Kulkarni	Chairperson	√	√	√	√	4	4	100%
Mr. Rajiv Khaitan	Member	√	√	√	√	4	4	100%
Mr. D.K. Himatsingka	Member	√	√	-	√	4	3	75%

√- Attended

Mrs Sangeeta Kulkarni, Chairperson of the Stakeholders' Relationship Committee was present at the last Annual General Meeting and she was present in all the meetings held during the year. The minutes of the Stakeholders' Relationship Committee meetings are placed before the Board of Directors in the subsequent Board meeting.

Complaints received from Investors during the year:

Nature of Complaints	Received	Cleared
Non-receipt of Annual Report	2	2
Non-receipt of dividend warrants	240	240
Non-receipt of securities	6	6
Complaints received through SEBI	0	0
Others	0	0
TOTAL	**248**	**248**

The Company attended to most of the investors' grievances/ correspondence within seven days from the date of receipt of the same during the year 2021-22 and there were no complaints remaining unresolved at the end of the year.

iv) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee as on March 31, 2022, comprised of 4 (four) members namely, Mr. D. K. Himatsingka, Executive Chairman, Mr. Shrikant Himatsingka, Managing Director and CEO, Mrs. Sangeeta Kulkarni and Mr. Raja Venkataraman, Independent Directors, Mr. D. K. Himatsingka is the Chairperson of the Committee.

The Committee explores various activities based on the thrust areas and recommends projects/activities and recommends the same for approval of Board. The company has identified four thrust area namely Health, Education, Environment sustainability and community development. During the year the Company has majorly spent towards COVID-19 mitigation and imparting education and skill development to specially-abled children in Ranchi, Jharkhand and also initiated two multi-year projects, one being Construction of St. John's Geriatric Project and the other is, local area community development/ infrastructure development in Hassan, Karnataka.

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

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

During the year 2021-22 the committee met two times on May 28, 2021 and February 08, 2022. The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board of Directors in the subsequent Board meeting. The Chairperson of the Committee was present in all the meetings. The attendance of the members for the year 2021-22 is as under:

Name of the Director	Position	Meeting of the Committee		Held during the year	Attended during the year	Percentage of Attendance
		28.05.2021	08.02.2022			
Mr. D.K. Himatsingka	Chairperson	√	√	2	2	100%
Mr. Shrikant Himatsingka	Member	-	-	2	0	0%
Mrs. Sangeeta Kulkarni	Member	√	√	2	2	100%
Mr. Raja Venkataraman	Member	√	√	2	2	100%

√- Attended

The CSR committee initiatives are available on our website, https://www.himatsingka.com/sustainability/corporate-social-responsibility

v) Risk Management Committee

The Board has constituted a Risk Management Committee whose prime responsibility is to implement and monitor the risk management plans and policy of the Company. The Committee as on March 31, 2022, comprised of 4 (four) members namely, Mr. Pradeep Bhargava, Mr. Raja Venkataraman, Independent Directors, Mr. Shrikant Himatsingka, Managing Director & CEO and Mr. V. Vasudevan, Non-Executive Director. Mr. Pradeep Bhargava is the Chairperson of the Committee.

Terms of reference

The Risk management Committee inter alia provides to protect and add value to the organization and its stakeholders through supporting the organization's objectives by:

- Providing a framework for an organization that enables future activity to take place in a consistent and controlled manner
- Improving decision making planning and prioritization by comprehensive and structured understanding of business activity, volatility and project opportunity /threat
- Contributing to more efficient use / allocation of capital and resources within the Organization
- Developing and supporting people and the organization's knowledge base

The roles and responsibilities of the Risk Management Committee encompasses monitoring and reviewing the risk management plan of the Company which also includes reviewing the forex policy, hedging plan, risks related to cyber security etc. The Board of the Directors from time to time delegates roles and responsibilities to the Committee.

The functions of the Risk Management Committee are further guided by the Risk Management Policy adopted by the Board.

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

During the year two meetings of the Committee were held on July 31, 2021 and January 24, 2022. The attendance of the members for the year 2021-22 is as under:

Name of the Director	Position	Meeting of the Committee		Held during the year	Attended during the year	Percentage of Attendance
		31.07.2021	24.01.2022			
Mr. Pradeep Bhargava	Chairperson	√	√	2	2	100%
Mr. Shrikant Himatsingka	Member	√	√	2	2	100%
Mr. V. Vasudevan	Member	√	√	2	2	100%
Mr. Raja Venkataraman	Member	√	√	2	2	100%

√- Attended

Notes:

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

vi) Share Transfer Committee

The Company has a Share Transfer Committee in place which addresses various matters relating to share transfer, share transmission, issue of duplicate share certificates, approval of split and consolidation requests, dematerialization and re-materialisation of shares and other matters relating to transfer and registration of shares.

The Committee as on March 31, 2022 comprised of 3 (three) members namely Mr. D.K. Himatsingka, Executive Chairman, Mr. Shrikant Himatsingka, Managing Director & CEO and Mr. V. Vasudevan, Non-Executive Director, as members of the Committee. The members elect a Chairperson of the Committee for every meeting.

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

During the year 2021-22, the Committee met four times on August 09, 2021; September 13, 2021; November 03, 2021 and January 06, 2022. The attendance of the members for the year 2021-22 is as under:

Name of Director	Position	Date of Committee Meetings				Held during the year	Attended during the year	Percentage of Attendance
		09.08.2021	13.09.2021	03.11.2021	06.01.2022			
Mr. D. K. Himatsingka	Member	√	√	√	√	4	4	100%
Mr. Shrikant Himatsingka	Member	√	√	√	√	4	4	100%
Mr. V. Vasudevan	Member	√	√	√	√	4	4	100%

√- Attended

Share Transfer System

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

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

vii) Finance and Investment Committee:

The Finance and Investment Committee as on March 31, 2022 comprised of 3 (three)members namely, Mr. D.K. Himatsingka, Executive Chairman, Mr. Shrikant Himatsingka, Managing Director & CEO and Mr. Rajiv Khaitan, Independent Director. The Members elect the Chairperson of the Committee for every meeting.

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

During the year 2021-22, the Committee met six times on May 29, 2021; July 16, 2021; August 04, 2021; January 10, 2022; February 04, 2022 and February 22, 2022. The attendance of the members for the year 2021-22 is as under:

Name of Director	Position	Date of Committee Meetings						Held during the year	Attended during the year	Percentage of Attendance
		29.05.2021	16.07.2021	04.08.2021	10.01.2022	04.02.2022	22.02.2022			
Mr. Rajiv Khaitan	Member	√	√	√	√	√	√	6	6	100%
Mr. D. K. Himatsingka	Member	√	-	-	-	√	√	6	3	50%
Mr. Shrikant Himatsingka	Member	√	√	√	√	√	√	6	6	100%

√- Attended

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

Resolution by Circulation:

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

Compliance Officer

Mr. Sridhar Muthukrishnan, Company Secretary and Compliance Officer acts as the Secretary to all Board and Committee meetings.

4. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held on the following dates, time and venue:

Date	Year	Time	Venue	No. of special Resolutions passed	Meeting held Physical/ OAVM *
August 28,2021	2020-21	11.30 a.m.	Registered Office of the Company 10/24, Kumara Krupa Road, High Grounds, Bangalore- 560001	2	OAVM
September 29,2020	2019-20	11.30 a.m.	Registered Office of the Company 10/24, Kumara Krupa Road, High Grounds, Bangalore- 560001	1	OAVM
September 24, 2019	2018-19	4.30 p.m.	The LaLiT Ashok, Kumara Krupa Road, High Grounds, Bangalore – 560 001	2	Physical

*Other Audio-Visual Means

Postal Ballot

During the year under review no resolutions were passed through Postal Ballot. Further, as on date of this report, no Resolutions are proposed to be passed through postal ballot.

5. MEANS OF COMMUNICATION

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

6. CODE FOR PREVENTION OF INSIDER TRADING

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

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

7. CEO/CFO CERTIFICATION

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

8. RECONCILIATION OF SHARE CAPITAL AUDIT

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

9. COMPLIANCE CERTIFICATE BY AUDITORS

a) The certificate regarding compliance of the conditions of corporate governance obtained from our Statutory Auditors M/s. BSR & Co., LLP as stipulated under Schedule V(E) of the Listing Regulations which is attached to this Report.

b) Certificate from Mr. Vivek Bhat, Practicing Company Secretary affirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this report.

10. TOTAL FEES PAID TO STATUTORY AUDITORS BY THE COMPANY AND ITS SUBSIDIARIES

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is enumerated below:

(₹ in Lacs)

Sl.No	Name of the Company	Nature of Services	Amount paid
1	Himatsingka Seide Limited	Statutory Audit Fees	130.00
2	Himatsingka Seide Limited	Other Services	10.00
3	Himatsingka Wovens Private Limited	Statutory Audit Fees	3.50
4	Himatsingka America Inc.	Audit Fees	13.50
5	Himatsingka America Inc.	Other Services	12.67
	Total		**169.67**

11. COMPLIANCE OFFICER

The name and designation of the Compliance Officer of the Company is: Mr. Sridhar Muthukrishnan - Company Secretary, Contact details: T: +91 80 22378000; F: +91 80 4147 9384; E: investors@himatsingka.com

12. DISCLOSURES

i) Subsidiary Companies

- The Company has two Material Subsidiaries as per the definition of "material subsidiary as defined under the Listing Regulations namely Himatsingka Holdings NA Inc and Himatsingka America Inc. Both the entities are based in United States of America.
- The Company has appointed one Independent Director each in the Board of the abovementioned Material Subsidiaries.
- The Audit Committee of the Company reviews the financial statements and in particular the investments made by unlisted subsidiaries of the Company

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

ii) Related party transactions

The statutory disclosure requirements relating to related party transactions have been compiled within the Annual Accounts (Note 34). There were no material transactions during the year 2021-22 that are prejudicial to the interest of the Company.

iii) Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2021-22.

iv) Whistle Blower Policy

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

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

v) Sexual Harassment of Women at Workplace

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

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

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

vi) Board Disclosures – Risk Management

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

vii) Credit Rating:

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

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

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

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

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

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

xii) Statutory Compliance, Penalties and Strictures

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

During the financial year, a fine was levied by BSE Limited and National Stock Exchange of India Limited in respect of one day short notice for a Board Meeting under Regulation 29(2)/(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the Company. The fine has been duly paid. There were no other penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets.

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

13. GENERAL CORPORATE AND SHAREHOLDER INFORMATION:

Date of Incorporation	January 23, 1985
Registered Address	10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001
Corporate Identification Number (CIN)	L17112KA1985PLC006647
Listing on Stock Exchanges	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	National Stock Exchange of India Ltd Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400 051
Stock Exchange Code	BSE: 514043 NSE: HIMATSEIDE
Listing Fees	Paid to BSE and NSE for 2022-23
Custodial Fees	Central Depository Services (India) Ltd. paid for the year 2021-22 National Securities Depository Limited one time fees paid. Demat ISIN: INE049A01027
Annual General Meeting	September 28, 2022at 11.00 am at The Registered Office of the Company.
Financial year	1st April to 31st March
Financial Calendar	Board Meetings for approval of financial results and annual accounts: Q1 2022-23: July- August 14, 2022 Q2 2022-23: October-November 14, 2022 Q3 2022-23: January- February 14, 2023 Q4 2022-23: April –May 30, 2023
Date of Book Closure	September 22, 2022 to September 28, 2022 (Both days inclusive)
Stock Split	1 equity share of Rs. 10/- each split into 2 equity shares of Rs. 5/- each in October 2005
Bonus History	Year 1994 - 1:2 Year 1999 - 1:1 Year 2005 - 1:1
Dividend payment date	On or before October 27, 2022
Share Registrar and Transfer Agents	KFin Technologies Limited (Formerly KFin Technologies Private Limited) Selenium Tower B, Plot No. 31 32, Financial District Nanakramguda, Gachibowli, Hyderabad, Telangana -500032 T: +91 40 6716 2222, 3321 1000; F: +91 40 23001153; E: shobha.anand@kfintech.com
Investors' correspondence may be addressed to	Mr. Sridhar Muthukrishnan, Company Secretary, Himatsingka Seide Limited, 10/24, Kumara Krupa Road, High Grounds, Bengaluru-560 001. T: +91 80 2237 8000; F: +91 80 4147 9384; E: investors@himatsingka.com

14. UNCLAIMED DIVIDENDS

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

Year	Type of Dividend	Dividend per share (₹)	Date of declaration of Dividend	Due date for transfer to IEPF
2015	Final dividend	2.00	September 15, 2015	October 20, 2022
2016	Interim dividend	1.00	March 11, 2016	April 16, 2023
2016	Final dividend	1.50	September 17, 2016	October 23, 2023
2017	Final dividend	2.50	September 23, 2017	October 25, 2024
2018	Final dividend	2.50	September 22, 2018	October 27, 2025
2019	Final dividend	5.00	September 24, 2019	October 29, 2026
2020	Final dividend	0.50	September 29, 2020	November 04, 2027
2021	Final dividend	0.50	August 28, 2021	October 04, 2028

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

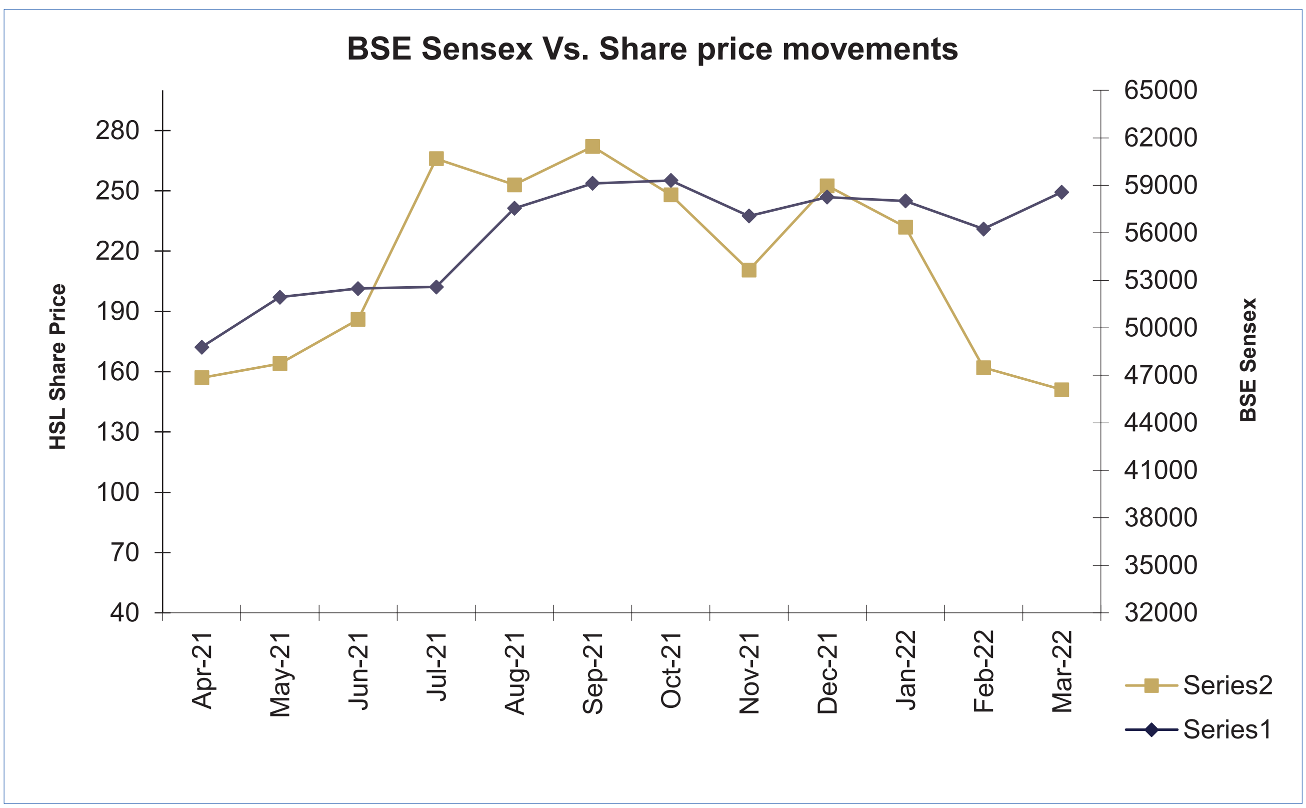
15 INFORMATION ON LISTED EQUITY SHARES

i) Share Price

The monthly high and low quotations of the closing price and volume of shares traded at Bombay Stock Exchange and National Stock Exchange during the year were as follows:

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
Apr-21	157.90	132.00	336,660	65.00	52.90	2,980,852
May-21	184.70	150.60	883,127	55.00	45.00	7,858,728
Jun-21	193.00	160.15	797,839	69.95	46.00	9,424,198
Jul-21	279.90	183.40	1,204,865	67.70	55.55	14,559,228
Aug-21	279.00	221.35	236,909	95.75	61.50	3,163,857
Sep-21	284.00	229.65	333,609	93.00	73.45	3,045,593
Oct-21	311.95	241.45	295,868	152.00	92.70	3,362,841
Nov-21	266.80	198.20	452,518	130.35	115.05	3,129,574
Dec-21	264.05	200.25	738,785	165.80	119.60	8,128,105
Jan-22	283.45	219.25	750,110	161.95	134.00	6,493,031
Feb-22	234.85	150.65	1,042,613	178.90	141.60	7,950,680
Mar-22	168.20	139.50	1,413,493	169.95	139.60	9,070,253
Total			**14748446**	**Total**		**79,166,940**

ii) Share Price Movement



iii) Distribution of shareholding as on March 31, 2022

No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 – 1000	43,179	92.04	6,526,484	6.63
1001-2000	1,746	3.72	2,686,116	2.73
2001-4000	951	2.03	2,815,998	2.86
4001-6000	343	0.73	1,729,135	1.76
6001-8000	144	0.31	1,033,028	1.05
8001-10000	122	0.26	1,145,991	1.16
10001-20000	216	0.46	3,121,494	3.17
20001& Above	211	0.45	79,398,914	80.64
Total	**46,912**	**100.00**	**98,457,160**	**100.00**

iv) Shareholding Pattern as on March 31, 2022

Particulars	Physical Holding	Electronic Holding	Total Holdings	%
Promoters	0	46,834,592	46,834,592	47.57
Banks	2,000	70,885	72,885	0.07
Trusts	0	1,000,010	1,000,010	1.02
Mutual Fund	0	10,449,746	10,449,746	10.61
FII	400	4,001,812	4,002,212	4.06
Non-Resident Indians	106,140	1,019,959	1,126,099	1.14
Indian Corporate Bodies	6,900	4,311,495	4,318,395	4.39
Individuals	406,973	28,653,745	29,060,718	29.52
Others	0	1,592,503	1,592,503	1.62
Total	522,413	97,934,747	98,457,160	100.00
%	**0.53**	**99.47**	**100.00**	

v) Dematerialization of shares and liquidity

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

As on March 31, 2022, 99.43% of the Company's share capital is dematerialized and the rest is in Physical form. The equity shares of the Company were regularly traded on the National Stock Exchange and Bombay Stock Exchange.

Shares held in Demat and Physical mode as on March 31, 2022:

Category	Number of		% to total equity
Demat	Shareholders	Shares	
NSDL	21,223	87,142,113	88.51
CDSL	25,361	10,792,634	10.96
Total	**46,584**	**97,934,747**	**99.47**
Physical	328	522,413	0.53
Grand Total	**46,912**	**97,987,160**	**100.00**

16. PLANT LOCATIONS

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

17. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE

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

18. COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND HEDGING ACTIVITY

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

19. OTHER INFORMATION TO SHAREHOLDERS

- Equity shares of the Company are under compulsory demat trading by all investors, with effect from March 21, 2000. Considering the advantages of scripless trading, shareholders are requested in their own interest to consider de-materalisation of their shareholding so as to avoid inconvenience in future.
- Shareholders/Beneficial Owners are requested to quote their Registered Folio No./DP & Client ID Nos. as the case may be, in all correspondence with the RTA/ Company. Company has also designated an exclusive E-mail ID: investors@himatsingka.com for effective investors' services where they can complain/ raise query and request for speedy and prompt redressal.
- Shareholders holding shares in physical form are requested to notify to the RTA/ Company, change in their address/ Pin Code number with proof of address and Bank Account details promptly by written request under the signatures of sole/ first joint holder. Shareholders may Note that for transfer of shares held in physical form, as per circular issued by SEBI, the transferee is required to furnish copy of their PAN card to the Company/RTAs for registration of transfer of shares.
- Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, bank details, nomination, power of attorney, etc., directly to their Depository Participants only.
- Non-resident members are requested to immediately notify the following to the Company in respect of shares held in physical form and to their Depository Participants in respect of shares held in dematerialized form:
  - Indian address for sending all communications, if not provided so far;
  - Change in their residential status on return to India for permanent settlement;
  - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
  - E-mail ID and Fax No.(s), if any
- In case of loss/ misplacement of shares, investors should immediately lodge FIR/Complaint with the Police and inform to the Company along with original or certified copy of FIR/ Acknowledged copy of the Police complaint.
- For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
- Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate the possibility of difference in signature at a later date.
- Shareholders of the Company, who have multiple accounts in identical names(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s), are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.
- Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in Companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.
- Shareholders are requested to give their valuable suggestions for improvement of the Company's investor services.

20. MANDATORY/NON-MANDATORY REQUIREMENTS

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

DECLARATION

As provided under Schedule V(D) of Listing Regulations, all Board members and Senior Management Personnel have affirmed compliance with Himatsingka Seide Limited Code of Business Conduct and Ethics for the year ended March 31, 2022.

Place: Bengaluru
Date: August 30, 2022

D.K Himatsingka
Executive Chairman

Shrikant Himatsingka
Managing Director & CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To
The Members
M/s Himatsingka Seide Limited
10/24, Kumara Krupa Road
High Grounds
Bangalore – 560001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Himatsingka Seide Limited having CIN L17112KA1985PLC006647 and having registered office at 10/24, Kumarakrupa Road High Grounds, Bangalore-560001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013. My responsibility is to express an opinion on these based on my verification. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 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.

Sl. No	Name of the Director	DIN
01	Rajiv Khaitan	00071487
02	Shrikant Himatsingka	00122103
03	Dinesh Kumar Himatsingka	00139516
04	Pradeep Kumar Bhargava	00525234
05	Raja Venkataraman	00669376
06	Sangeeta Vivek Kulkarni	01690333
07	Vasudevan Veeraraghavan	07521742

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

Vivek Bhat
Practicing Company Secretary
COP: 8426
UDIN: F007708D000354879

Place: Bengaluru
Date: 20th May, 2022

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

TO THE MEMBERS OF HIMATSINGKA SEIDE LIMITED

This certificate is issued in accordance with the terms of our engagement letter dated 3 December 2020.

We have examined the compliance of conditions of Corporate Governance by Himatsingka Seide Limited ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

MANAGEMENT'S RESPONSIBILITY

The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.

We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

RESTRICTION ON USE

The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Umang Banka
Partner
Membership No: 223018
UDIN: 22223018AQXBMW3204

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

At Himatsingka Seide Ltd., ("HSL"), we believe that the growth of our company depends on the economic, environmental, and social sustainability of our communities across the world. As a responsible corporate citizen, HSL believes in inclusive growth. Sustainable development is the pathway to the future we want for all. The Company's approach to sustainable development is incorporated into its business strategy.

This report conforms to the requirements of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	L17112KA1985PLC006647
2.	Name of the Company	Himatsingka Seide Limited
3.	Registered Office & Corporate Office	# 10/24, Kumara Krupa Road, High Grounds, Bengaluru 560 001
4.	Website	www.himatsingka.com
5.	E-mail id	corporate@himatsingka.com
6.	Financial Year reported	2021- 22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	131- Spinning, weaving and finishing of textiles 139 – Manufacture of other textiles
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Made-up Bedding Products 2. Drapery & Upholstery Fabrics 3. Towels 4. Cotton Yarn
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	a) International Locations: 1. New York, USA 2. Spartanburg, USA 3. London, United Kingdom 4. Amsterdam, Netherlands b) National Locations 1. Doddaballapur, Bengaluru Rural , Karnataka 2. Hassan, Karnataka
10.	Markets served by the Company Local/State/National/International	North America, Europe, United Kingdom, Middle East, Asia and India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	Rs.49.23 Crores
2.	Total Turnover (INR) – Standalone Basis	Rs.2878.92 Crores
3.	Profit after Tax (INR) – Standalone Basis	Rs. 154.33 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) a. In INR b. As percentage of Profit after Tax (%)	 Rs. 4.32 Crores 2% (Average PAT for three preceding years)
5.	List of activities in which expenditure in 4 above has been incurred	Please refer CSR Report as per Annexure 2 to the Board Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?	Yes
	If yes, then indicate the number of such subsidiary company(s)	Company has two wholly owned subsidiaries and one step down subsidiary
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of the Director and BR Head responsible for implementation of the BR policy/policies

No.	Particulars	Company Information
1	DIN Number	00122103
2	Name	Shrikant Himatsingka
3	Designation	Managing Director & CEO
4	Telephone Number	080-22378000
5	e-mail ID	corporate@himatsingka.com

2. Principle-wise BR Policy:

Principle 1(P1)	Business should Conduct and Govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P 2)	Business should provide goods & services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P 3)	Business should promote the wellbeing of all employees.
Principle 4 (P 4)	Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P 5)	Business should respect and promote human rights.
Principle 6 (P 6)	Business should respect, protect and make efforts to restore the environment.
Principle 7 (P 7)	Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P 8)	Business should support inclusive growth and equitable development.
Principle 9 (P 9)	Business should engage with and provide value to their customer and consumers in a responsible manner.

(a) Details of compliance:

Sl No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable laws and in line with international standards such as ISO, & OSHAS and meet national regulatory requirements such as Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy?	These policies are administered and supervised by the management of the Company through a robust internal governance structure.								
6	Indicate the link for the policy to be viewed online?	Policies on CSR, Code of Conduct, Related Party and Whistle Blower etc. are available at the below link: https://himatsingka.com/investors/corporate-governance								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Quality, Safety, Health and Environment Policies are subject to internal and external audits as part of certification process.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is "No', please explain why

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

Governance related to BR		
A.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.	Within the Company, the Board and its Committees play a very significant role in the governance structure. They are essentially meant to deal with specific areas / activities of the Company. The Corporate Social Responsibility (CSR) Committee of the Board monitors and reviews the CSR activities. For details on the frequency of the CSR Committee meetings, kindly refer the Corporate Governance Report which forms part of this Annual Report.
B.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes BRR on an annual basis as a part of its Annual report, the link is given herein below: https://www.himatsingka.com/investors/financial-reports?tab=annual_report_tab

SECTION E: PRINCIPLE-WISE PERFORMANCE

Our philosophy is to conduct the business with high ethical standards in our dealings with all the stakeholders that include employees, customers, suppliers, government and the community.

PRINCIPLE 1: BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.

1	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/ Others?	The Company's policies and code of conduct explains the company's view on ethics, bribery and corruption and is applicable to all the employees. It applies to all the Group Companies. Induction training is imparted to all employees and workers generally and specific technical training are given in relation to the domain they operate. The policies have been shared with other stakeholders including vendors and suppliers.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year, following number of complaints were received: • 248 nos. from shareholders. • 16 nos. from vendor stakeholders • 2 nos. under Prevention of Sexual Harassment. All the above were resolved within due course.

PRINCIPLE 2 : BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	At HSL, we are conscious about social and environmental impacts and design our products without compromising the same. 1. Made-up Bedding Products 2. Drapery & Upholstery Fabrics 3. Towels 4. Cotton Yarn
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing / production /distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The products have resulted in savings in energy, raw material usage and water resources. Specifically, there has been 10% reduction in Annual Energy Footprint. Out of the total energy used 32% comprised of renewable energy. Water recovery achieved through Zero Liquid Discharge stood at 99.5%.
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The sourcing of input materials for manufacturing activities have largely adhered to the use of such materials that are sustainable. Our partner farms are committed to produce World's finest cotton using the highest farming standards. Our cotton is sustainably grown on the family-owned farms, upholding the most stringent regulations and practices for environmental and ethical responsibility. The Company's supplier evaluation requirements stress on sustainability criteria to further the high sustainability value chain goals of the Company.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes, to the extent possible the Company sources goods and services from the area surrounding its operating facilities. The Company also imports raw cotton basis the specific requirements spelt out by the customers. The company ensures that it engages with local and small businesses around it through productive employment, expanding its direct and indirect economic impacts.
5	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.	Yes. The Company has a mechanism to recycle products and waste. Over 99% of all waste is recycled or recyclable. The Company believes that it makes a big difference to use recycled products. Recycling is the future, and we must focus our efforts in mitigating negative impacts to protect our environment. For this purpose, the Company has a Captive power plant in place for recycling water at its plant in Hassan

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES.

The Company strives to position itself as an equal opportunity employer and ensures best efforts in providing a high-quality work environment with the highest standards of safety and work employee friendly amenities to enhance its employee satisfaction quotient.

<table>
<tr><td>1</td><td>Total number of Permanent employees</td><td>8687</td></tr>
<tr><td>2</td><td>Total number of employees hired on temporary/ contractual/casual basis.</td><td>2227</td></tr>
<tr><td>3</td><td>The number of permanent women employees</td><td>2386</td></tr>
<tr><td>4</td><td>Number of permanent employees with disabilities</td><td>The Company as an employer does not discriminate specially-abled people while recruitment. As on 31st March, 2022 there were 15 specially abled employees.</td></tr>
<tr><td>5</td><td>Employee association that is recognized by management</td><td>The company does not restrict employees to be part of any Employees Union, HSL Employees Union has been recognized as the Employee Association by Management.</td></tr>
<tr><td>6</td><td>Percentage of permanent employees who are members of this recognized association</td><td>Approximately 0.03% of permanent employees are members of a recognized employee association.</td></tr>
<tr><td>7</td><td>Number of complaints received relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year</td><td>
<table>
<tr><th>No.</th><th>Category</th><th>Filled</th><th>Resolved</th></tr>
<tr><td>1</td><td>Child labour/forced labour</td><td>Nil</td><td>Nil</td></tr>
<tr><td>2</td><td>Involuntary labour</td><td>Nil</td><td>Nil</td></tr>
<tr><td>3</td><td>Sexual harassment</td><td>02</td><td>02</td></tr>
<tr><td>4</td><td>Discriminatory employment</td><td>Nil</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>8</td><td>Percentage of employees given safety & skill up-gradation training in the last year
a) Permanent Employees
b) Permanent Women Employees
c) Casual/Temporary/Contractual Employees
d) Employees with Disabilities</td><td>The Company believes in the process of being committed to continuous learning and treats employees as one of the biggest resources in an organization. The Company carries out training initiatives based on specific skill requirements and nature of work. In no eventuality do we train employees based on employee status as the Company is an equal opportunity employer. All the employees are given requisite training based on the domain they operate and the Company has well-structured and developed training programmes for its various needs and all employees are given training and skill development programmes applicable to their line of activity.

The Company has enrolled with Ministry of Rural Development, Government of India under the Deen Dayal Upadhyaya- Grameen Kaushalya Yojana towards imparting skill development for rural youth. The Company is registered as a Project Implementing Agency with a target to train 3500 trainees in 3 years in various facets related to textiles business like tailoring, weaving etc as per the syllabus approved by Government of India. The training is for a continuous period of 3 months with the objective of absorbing them in the organization post training. In the Financial year 2021-2022, company has trained 332 number of trainees and has successfully completed allocated target of training 3500 number of trainees in 3 years.

During the year, the Company has enrolled with Central Silk Board, under the skilling programme named “SAMARTH” which is a flagship scheme for Capacity Building in the Textiles Sector with an aim to address the shortage of skilled workers in the Textiles Industry. Approx 160 employees have enrolled in the programme from May 2022.</td></tr>
</table>

PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

The Company is committed to embrace an inclusive growth model keeping in mind the needs of all its stakeholders including the under privileged, disadvantaged and vulnerable members of society.

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes, company has mapped its internal and external stakeholders. Engaging with stakeholders allows our company to improve our business processes by linking sustainability issues into strategy, governance and operation, while the engaged stakeholders are also informed on corporate sustainability issues, performance and agenda. It is their involvement that broadens the horizon for improving the Company's sustainability performance. The Company has several internal and external stakeholders. They are majorly classified as follows: a) Business Stakeholders • Employees • Client Groups • Vendors and Suppliers • Partners • Local communities b) Financial Stakeholders • Bankers • Shareholders • Investors c) Statutory Stakeholders • Central and State Government authorities • Regulatory bodies
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Local communities and society continue to be an area of focus for the Company. We endeavor to take initiatives that have a positive impact on such communities.
3	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.	Yes, special initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. The Company has been taking proactive steps to further strengthen the engagement with the disadvantaged, vulnerable and marginalized stakeholders. The steps include amongst others, providing clean RO water by installation of water treatment plants, infrastructure support to educational institutions, Community Center for benefit of disadvantaged providing tricycle for physically challenged arranging smart classes at Government School for under privileged children and offering suitable jobs for widows and differently abled at the Company's plant at Hassan.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

1.	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint ventures/ Suppliers/ Contractors/NGOs/Others?	We believe that Human Rights are not just a privilege conferred by the Government, they are every human being's entitlement by virtue of his humanity. The Company remains committed to respect and protect human rights. The Company's code of conduct, Human Resource practices and policies provide guidelines on matters relating to child labour, occupational health and safety among other relevant matters that help respect and promote Human Rights.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Grievance Redressal Mechanism is in place at all the locations with the proportion of workers and management as per the statutory norms. During the year, two hundred forty eight complaints were received from the shareholders. All of which were resolved within due course.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

The economic growth and environmental protection can and should go hand in hand. At Himatsingka Seide Ltd., we are constantly strengthening our systems and processes to improve our footprints on the environment. The Company strives to have best in class initiatives and infrastructure in order to be environment friendly.

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers /Contractors/NGOs/others.	The Company's environment policy extends to its facilities across India
2	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.	As part of its initiatives to reduce its carbon footprint and ensure operational sustainability the Company has been focused on operating Zero Liquid Discharge (ZLD), Water Treatment Plants (WTP) and operating assets with high fuel efficiencies and best in class emission standards. Among other initiatives the Company is also exploring opportunities in the renewal energy space. The web-link to the sustainability initiatives of the company is given herein below: https://www.himatsingka.com/sustainability/sustainable-development
3	Does the company identify and assess potential environmental risks? Y/N	Yes, as part of the process the Company regularly evaluates environmental risks and initiates steps for mitigation. The manufacturing locations are certified for requirements under ISO 14001 (environment management system) and OHSAS 18001 (Occupational Health and Safety System).
4	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?	At present, the Company does not have any project related to Clean Development Mechanism.
5	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 Company has invested in Energy Companies (SPV's in Atria Group, Bangalore) under Captive Consumption basis to increase utilization of renewable energy at the plants.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER.

The company participates in activities carried out by industry bodies and associations, vision groups and other forums set up by the government to discuss and deliberate challenges and opportunities.

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, Company is a member at the following industrial associations: a) TEXPROCIL – Cotton Textile Export promotion Council b) ISEPC – Indian Skill Export Promotion Council c) FKCCI – Federation of Karnataka Chamber of Commerce and Industry d) FIEO – Federation of Indian Export Organisation. e) CII - Confederation of Indian Industry f) BCIC – Bangalore Chamber of Industry and Commerce
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Company has advocated through the above organisations on economic reforms, export policies and infrastructural needs.

PRINCIPLE 8 : BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	In line with the provisions of the Companies Act, 2013 and based on recommendation of the CSR Committee, the Board of Directors have adopted a CSR Policy. The CSR policy, inter-alia, deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, responsibilities of the CSR Committee, implementation plan and the reporting framework. The thrust areas of the Company's CSR activities during the year 2021-22 were towards Health, Skill Development, Community Development. The details of CSR initiatives can be accessed in the Company's CSR report in Annexure 2 of the Boards' Report.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	The aforesaid projects have been carried out by the Company directly and or through implementing agencies.
3	Have you done any impact assessment of your initiative?	No
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	The Company has spent Rs. 4.32 Crores during the financial year 2021-22 on CSR Activities. The details of CSR initiatives can be accessed in the Company's CSR report in Annexure 2 of Board Report.
5	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 CSR Committee reviews and assesses the initiatives at the end of each year to understand the efficacy of the programmes in terms of delivery of desired benefits to the community.

PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	The Company adheres to all the applicable regulations regarding product labeling and display's relevant information on it.
3	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. If so, provide details thereof, in about 50 words or so.	Nil
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes, the Company conducts surveys/consumer satisfaction trends.

Independent Auditor's Report

To the Members of Himatsingka Seide Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Himatsingka Seide Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India "ICAI" together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE RECOGNITION

See note 2.1 and 20 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods in the ordinary course is measured at the fair value of the consideration received or receivable when the goods are delivered and control has passed to the buyer. Revenue from sale of goods is recognized at the point in time when control is transferred to customer. We identified revenue recognition as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance indicator. This could result in a risk of revenues being overstated or recognised before control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We evaluated the revenue recognition accounting policies by comparing it with the applicable accounting standards. 2. We tested the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on certain transactions selected on a sample basis. 3 We performed substantive testing for the revenue transactions using statistical sampling and tested the supporting documents. 4. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year-end date to determine that the period in which the revenue has been recognized is appropriate. 5. We tested specific manual journal entries posted to revenue to identify any unusual items.

KEY AUDIT MATTER (CONTINUED)

CARRYING VALUE OF INVESTMENTS IN SUBSIDIARIES AND ASSESSMENT OF IMPAIRMENT

See note 2.14 and 4A to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has made significant investments in subsidiaries which are recorded at cost less impairment. The investments in subsidiaries are tested for impairment by Company at least annually. Company's assessment of impairment contains a number of parameters which involve significant judgements and estimates including revenue growth, cashflow forecasting, weighted average cost of capital and other recent financing transactions. Changes in these assumptions, if any could lead to higher valuation of investment in subsidiaries and accordingly impairment provision. Impairment assessment of investments in subsidiaries have been identified as a key audit matter because of the estimation and judgements involved in computation of the recoverable value of investments in subsidiaries.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We tested the design of key controls and operating effectiveness of the relevant key controls around the assessment of impairment of investments in subsidiaries. 2. We together with the valuation specialists tested the underlying assumptions used by management along with their external experts in computing recoverable value of investments in subsidiaries, such as weighted average cost of capital, growth rates and profitability. 3. We performed sensitivity analysis on key assumptions used by the Company in computing fair value of the investments in subsidiaries, to identify impairment charge, if any and when identified an appropriate recognition including disclosure of the impairment in the standalone financial statement. 4. We tested the arithmetical accuracy of the management's impairment testing model.

RECOGNITION FOR GOVERNMENT GRANTS AND ASSESSMENT OF RECOVERABILITY

See note 2.5, 6 and 8 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company is eligible for government grants under various schemes issued by the State and the Central Government. Each of these schemes requires fulfilment of conditions by the Company to be eligible to receive the grant. The Company also assesses the recoverability of these grants at each balance sheet date. Recognition of grants (including its classification as capital or revenue grant) requires a suitable assurance by the Company towards compliance with the conditions specified in the relevant schemes and that the grants will be received. The assessment of fulfilment of relevant conditions specified in the grant at the time of recognition involves judgement and assumptions. Further, the Company needs to assess at each balance sheet date the recoverability of the grant. We have identified recognition of grant and its recoverability as a key audit matter because of the complexities in establishing the compliance with the eligibility conditions of the grant and judgement involved towards the assessment of its recoverability.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We evaluated the government grant accounting policies by comparing with the applicable accounting standards. 2. We tested the design of key controls and operating effectiveness of relevant key controls with respect to recognition of grant (including its classification as capital and revenue grant) and assessment of recoverability of government grants. 3. We performed substantive testing, on a sample basis, towards recognition of grants in accordance with the relevant schemes, its classification as revenue or capital grant and verified the supporting documents. 4. We evaluated the Company's assessment of recoverability of respective grants based on ageing analysis and obtained explanations from management to assess the adequacy of the level of provision, if any, required for amounts considered recoverable.

Independent Auditors' Report on the Audit of the Standalone Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our Auditor's Report thereon. The other information is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 standalone financial statements.

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the Management's and Board of Directors' use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer note 28 to the standalone financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONTINUED)

d) (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 37.2 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 37.2 to the standalone financial statements, no funds have been received by the Company from any person or entities, 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 Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) contain any material misstatement.

e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 40 to the standalone financial statements, the Board of Directors of the Company have proposed the final dividend for the year ended 31 March 2022 which is subject to approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN:22223018AJXJMR5822

Place: Bengaluru
Date: 30 May 2022

Annexure A to the Independent Auditor’s Report on standalone financial statements of Himatsingka Seide Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor’s Report to the members of Himatsingka Seide Limited (‘the Company’) on the standalone financial statements for the year ended 31 March 2022, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements/ lease cum sale agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

Annexure-A to the Independent Auditors' Report (Continued)

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly statements filed by the Company with such banks are in agreement with the books of account of the Company except as follows:

(Amount in Lakhs)

Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Whether statement subsequently rectified	Name of the Banks
Qtr. 1	(a) Inventories	35,177	33,428	1,749	No	Canara Bank, The HSBC Ltd., Indusland Bank Ltd., Axis Bank, Kotak Bank, RBL Bank Ltd., DCB Bank Ltd., Yes Bank Ltd., Karur Vysya Bank Ltd., IDBI Bank Ltd., Bank of India, HDFC Bank Ltd., Bank of Maharashtra
Qtr. 1	(b) Trade receivables	74,644	74,841	(197)	No	
Qtr. 1	(c) Subsidy receivable under various government schemes, Interest subsidy receivable and Balances with government authorities	32,337	-	32,337	No	
Qtr. 1	(d) Trade payables	58,479	25,254	33,225	No	
Qtr. 1	**Net (a+b+c-d)**	**83,679**	**83,015**	**664**		
Qtr. 2	(a) Inventories	41,190	40,619	571	No	
Qtr. 2	(b) Trade receivables	73,341	70,186	3,155	No	
Qtr. 2	(c) Subsidy receivable under various government schemes, Interest subsidy receivable and Balances with government authorities	38,648	-	38,648	No	
Qtr. 2	(d) Trade payables	54,489	22,617	31,872	No	
Qtr. 2	**Net (a+b+c-d)**	**98,690**	**88,188**	**10,502**		
Qtr. 3	(a) Inventories	41,510	40,864	646	No	
Qtr. 3	(b) Trade receivables	83,319	68,093	15,226	No	
Qtr. 3	(c) Subsidy receivable under various government schemes, Interest subsidy receivable and Balances with government authorities	36,643	-	36,643	-	
Qtr. 3	(d) Trade payables	59,673	20,213	39,460	No	
Qtr. 3	**Net (a+b+c-d)**	**101,799**	**88,744**	**13,055**		
Qtr. 4	(a) Inventories	41,101	41,380	(279)	No	
Qtr. 4	(b) Trade receivables	95,139	84,330	10,809	No	
Qtr.4	(c) Subsidy receivable under various government schemes, Interest subsidy receivable and Balances with government authorities	42,765	-	42,765	-	
	(d) Trade payables	64,855	20,540	44,345	-	
Qtr. 4	**Net (a+b+c-d)**	**114,210**	**105,170**	**8,950**	**-**	

Annexure-A to the Independent Auditors' Report (Continued)

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in firms, limited liability partnership or in any other parties. The Company has not granted any loans secured or unsecured to companies, firms or limited liability partnership during the year. The Company has made investments in companies and has granted loans (other parties), in respect of which the requisite information is given below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to employees (other parties) as below:

(Amount in lakhs)

Particulars	Loans
Aggregate amount during the year	
- Subsidiaries	-
- Others	56.43
Balance outstanding as at balance sheet date	
- Subsidiaries	-
- Others	144.64

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans to employees (other parties) are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantees, security or advance in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given to other parties, in our opinion the repayment of principal have been regular. The loan given to other parties are interest free and hence there are no stipulation with respect to the payment of interest. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given to employees. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advance in the nature of loan to any party during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made and guarantee provided or security given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and services tax. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and services tax, Provident fund, Employees' state insurance, Income-tax, Duty of customs, Cess and other statutory dues have been regularly deposited with the appropriate authorities, though there has been slight delay in one month in respect of Employees' state insurance;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and services tax, Provident fund, Employees' state insurance, Income-tax, Duty of customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and service Tax, Sales tax, Service tax, Value added tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of excise, Duty of customs or Cess or other statutory dues which have not been deposited by the Company on account of any dispute, except for the following:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	69,013,594	AY 2006-07, 2009-10, 2010-11 and 2013-14	Income Tax Appellate Tribunal, Kolkata
Income Tax Act, 1961	Income Tax	35,255,977	AY 2008-09, AY 2014-15, 2016-17, and 2017-18	Commissioner of Income Tax (Appeals), Kolkata
Central Excise Act, 1944	Excise duty and penalty	53,079,936	FY 2003-04 to FY 2008-09	Commissioner of Customs, Bengaluru
Central Excise Act, 1944	Excise duty and penalty	2,186,141 (500,000)*	Feb 2009 to Dec 2009	Commissioner of Customs, Bengaluru
Central Excise Act, 1944	Excise duty and penalty	11,624,025 (967,767)*	FY 2012 – 2016	Commissioner of Customs, Bengaluru

*represents amounts paid under protest

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than Rs 35 crores which remain unutilised as at 31 March 2022 as the funds were received towards the end of the year. The Company has temporarily placed such unutilised balance in current account as at 31 March 2022.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company doesn't hold any interest in associates or joint ventures.

Annexure-A to the Independent Auditors' Report (Continued)

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has raised loans during the year on the pledge of securities held in its subsidiaries as per details below:

Nature of loan taken	Name of lender	Amount of loan raised during the year	Name of the subsidiaries	Relationship	Details of security pledged
Term Loan	Export Import Bank	200 crores	Himatsingka Holdings North America Inc (Wholly owned Subsidiary) and Himatsingka America Inc (Step Subsidiary)	Subsidiary including step subsidiary	100% pledge of shares of Himatsingka America Inc. and Himatsingka Holdings North America

The above loan has a moratorium period till 1 August 2023 and hence there is no repayment due in the current year.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government of India.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory Auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this Auditor's Report.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the unspent amount has been transferred to a Special Account which is in compliance with Section 135(6) of the Companies Act, 2013.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN: 22223018AJXJMR5822

Place: Bengaluru
Date: 30 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of Himatsingka Seide Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Himatsingka Seide Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN: 22223018AJXJMR5822

Place: Bengaluru
Date: 30 May 2022

Standalone Balance Sheet

Himatsingka Seide Limited

(₹ Lacs)

Standalone Balance Sheet	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	242,397.34	240,284.30
Capital work-in-progress	3.1	4,428.46	14,155.59
Intangible assets	3.3	1,335.32	1,577.90
Financial assets			
(i) Investments	4A	95,577.12	87,063.06
(ii) Loans	5	56.07	56.35
(iii) Other financial assets	6	1,551.69	1,000.76
Income tax assets (net)	7A	1,359.50	1,045.14
Other non-current assets	8	4,588.55	5,518.79
Total non-current assets		**351,294.05**	**350,701.89**
Current assets			
Inventories	9	41,101.32	33,322.94
Financial assets			
(i) Investments	4B	1,309.48	1,816.71
(ii) Trade receivables	10	95,139.16	66,311.86
(iii) Cash and cash equivalents	11A	11,090.93	6,507.21
(iv) Bank balances other than (iii) above	11B	5,183.07	5,902.38
(v) Loans	5	88.57	50.22
(vi) Other financial assets	6	19,495.97	23,339.51
Other current assets	8	29,634.92	13,147.98
Total current assets		**203,043.42**	**150,398.81**
Total assets		**554,337.47**	**501,100.70**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	4,922.86	4,922.86
Other equity	13	166,080.29	150,995.01
Total equity		**171,003.15**	**155,917.87**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	151,692.24	127,577.06
(ii) Other financial liabilities	19	-	644.63
Provisions	15	1,997.05	1,946.20
Deferred tax liabilities (net)	7B	10,325.17	7,402.44
Other non-current liabilities	16	26,602.59	28,319.27
Total non-current liabilities		**190,617.05**	**165,889.60**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	112,504.18	105,111.54
(ii) Trade payables			
(a) Dues of micro and small enterprises	18	10,015.21	7,137.75
(b) Dues of creditors other than micro and small enterprises	18	54,869.68	46,928.70
(iii) Other financial liabilities	19	6,352.85	14,242.86
Other current liabilities	16	3,039.84	2,872.14
Provisions	15	1,448.28	1,026.07
Current tax liabilities (net)	7A	4,487.23	1,974.17
Total current liabilities		**192,717.27**	**179,293.23**
Total liabilities		**383,334.32**	**345,182.83**
Total equity and liabilities		**554,337.47**	**501,100.70**
Summary of significant accounting policies	2		

See accompanying notes to the standalone financial statements.
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number : 101248W/W-100022

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

Umang Banka
Partner
Membership number: 223018

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P. Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Place: Bengaluru
Date : 30 May 2022

Standalone statement of profit and loss

Himatsingka Seide Limited

(₹ Lacs)

Standalone statement of profit and loss	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	20	285,897.65	168,190.84
Other income	21	1,993.96	2,805.26
Total income		**287,891.61**	**170,996.10**
Expenses			
Cost of raw materials and packing material consumed	22	164,826.73	76,619.85
Changes in inventory of finished goods and work-in-progress	22	(4,997.84)	7,730.08
Employee benefits expense	23	27,715.85	20,611.81
Finance costs	24	14,686.06	14,391.68
Depreciation and amortisation expense	25	11,384.87	10,887.33
Other expenses	26	51,891.95	32,622.82
Total expenses		**265,507.62**	**162,863.57**
Profit before tax		**22,383.99**	**8,132.53**
Tax expense			
Current tax	31	4,274.00	1,498.00
Deferred tax	31	2,677.42	1,259.04
Total tax expense		**6,951.42**	**2,757.04**
Profit for the year		**15,432.57**	**5,375.49**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plan		23.12	(230.97)
Income tax effect on above		(8.08)	80.70
B. Items that will be reclassified to profit or loss			
Effective portion of gain on hedging instruments in cash flow hedge		199.76	3,432.15
Income tax effect on above		(69.80)	(1,199.33)
Other comprehensive income for the year, net of tax		**145.00**	**2,082.55**
Total comprehensive income for the year		**15,577.57**	**7,458.04**
Earnings per equity share (face value of ₹ 5 each)			
Basic and diluted (in ₹)	32	**15.67**	**5.46**
Summary of significant accounting policies	2		

See accompanying notes to the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P. Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Standalone statement of changes in equity for the year ended 31 March 2022

Himatsingka Seide Limited

A. Equity share capital	(₹ Lacs)
Particulars	
Balance as at 01 April 2020	**4,922.86**
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance as at 31 March 2021	**4,922.86**
Changes in equity share capital due to prior period errors	-
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**4,922.86**

B. Other equity (₹ Lacs)

Particulars	Reserves and surplus (refer note 13)				Other comprehensive income		Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings	Effective portion of cash flow hedge	Remeasurement of net defined benefit liability	
Balance as at 1 April 2020	**17.04**	**27,675.71**	**17,270.17**	**101,001.42**	**(1,742.88)**	**(192.20)**	**144,029.26**
Profit for the year	-	-	-	5,375.49	-	-	5,375.49
Other comprehensive (loss)/income for the year, net of tax	-	-	-	-	2,232.82	(150.27)	2,082.55
Payment of dividends	-	-	-	(492.29)	-	-	(492.29)
Balance as at 31 March 2021	**17.04**	**27,675.71**	**17,270.17**	**105,884.62**	**489.94**	**(342.47)**	**150,995.01**
Balance as at 1 April 2021	**17.04**	**27,675.71**	**17,270.17**	**105,884.62**	**489.94**	**(342.47)**	**150,995.01**
Profit for the year	-	-	-	15,432.57	-	-	15,432.57
Other comprehensive income for the year, net of tax	-	-	-	-	129.96	15.04	145.00
Payment of dividend	-	-	-	(492.29)	-	-	(492.29)
Balance as at 31 March 2022	**17.04**	**27,675.71**	**17,270.17**	**120,824.90**	**619.90**	**(327.43)**	**166,080.29**
Summary of significant accounting policies (refer note 2)							

See accompanying notes to the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P. Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Standalone Statement of Cash Flows

Himatsingka Seide Limited (₹ Lacs)

Standalone statement of cash flows	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit for the year	15,432.57	5,375.49
Adjustments for:		
Finance costs	14,686.06	14,391.68
Provision towards impairment of investment in subsidiary	-	37.35
Interest income	(275.00)	(2,280.65)
Net gain on sale of current investments	(60.37)	(49.66)
Loss / (gain) on current investments carried at fair value through profit or loss	40.46	(74.25)
Loss allowances on financial assets (net)	35.64	107.55
Net loss on disposal of property, plant and equipment	146.13	38.02
Amortized value of employee loans and security deposits	24.36	64.58
Income on financial guarantee contracts	(73.24)	(113.36)
Depreciation and amortisation expense	11,384.87	10,887.33
Income on derecognition of leases	-	(269.95)
Net unrealised foreign exchange loss on non operating activities	107.09	94.03
Inter company deposits and receivables written off	-	747.64
Income tax expense	6,951.42	2,757.04
Operating cash flows before working capital changes	**48,399.99**	**31,712.84**
Changes in operating assets and liabilities		
Increase in trade receivables	(28,862.94)	(17,220.52)
(Increase) / decrease in inventories	(7,778.38)	8,888.04
Increase in other assets	(17,022.50)	(6,823.20)
Increase in trade payables	10,645.12	22,153.11
Increase in provisions	496.18	458.52
Increase in other liabilities	205.72	30.90
Cash generated from operations	**6,083.19**	**39,199.69**
Income taxes paid (net)	(2,178.62)	(2,319.08)
Net cash generated from operating activities (A)	**3,904.57**	**36,880.61**
Cash flows from investing activities		
Proceeds of sale of current investments (net)	700.46	1,228.98
Interest received	8,087.72	2,870.62
Acquisition of property, plant and equipment and intangible assets (net)	(14,655.31)	(10,687.53)
Investment in subsidiaries (refer note 4A.1)	(8,440.82)	(5,808.80)
Investment in fixed deposits	(42,137.71)	(20,414.76)
Proceeds from fixed deposits maturity	42,285.89	29,318.88
Net cash used in investing activities (B)	**(14,159.77)**	**(3,492.61)**
Cash flows from financing activities		
Proceeds from / (repayment of) current borrowings (net)	16,063.91	(6,893.00)
Proceeds from non-current borrowings	50,774.11	-
Repayment of borrowings - Non current	(35,867.88)	(11,504.75)
Dividends paid	(492.28)	(492.29)
Payment of lease liabilities	-	(92.59)
Proceeds from government subsidies	5,549.92	5,627.00
Interest paid	(21,188.86)	(16,380.62)
Net cash generated from / (used in) financing activities (C)	**14,838.92**	**(29,736.25)**
Net increase in cash and cash equivalents (A + B + C)	**4,583.72**	**3,651.75**
Cash and cash equivalents at the beginning of the year	6,507.21	2,855.46
Cash and cash equivalents at the end of the year	**11,090.93**	**6,507.21**
Components of cash and cash equivalents (refer note 11A)		
Cash and cash equivalents comprise of:		
Cash in hand	8.31	6.39
Balance with banks		
- in current accounts	8,691.62	6,500.82
- in deposit accounts (with original maturity period of less than three months)	2,391.00	-
Total	**11,090.93**	**6,507.21**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	Opening balance 1 April 2021	Net cash flows	Non-cash movement	Closing balance 31 March 2022
Borrowings (including current maturities of non current borrowings)	150,351.37	14,906.23	537.68	165,795.28
Current borrowings (excluding current maturities of non current borrowings)	82,337.23	16,063.91	-	98,401.14
Interest accrued but not due	1,330.79	(21,188.86)	21,577.12	1,719.05
Total liabilities from financing activities	**234,019.39**	**9,781.28**	**22,114.80**	**265,915.47**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	Opening balance 1 April 2020	Net cash flows	Non-cash movement	Closing balance 31 March 2021
Borrowings (including current maturities of non current borrowings)	157,644.99	(11,504.75)	4,211.13	150,351.37
Current borrowings (excluding current maturities of non current borrowings)	89,230.23	(6,893.00)	-	82,337.23
Interest accrued but not due	1,727.01	(16,380.62)	15,984.40	1,330.79
Total liabilities from financing activities	**248,602.23**	**(34,778.37)**	**20,195.53**	**234,019.39**

The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS 7) statement of cash flows.

Summary of significant accounting policies (refer note 2)

See accompanying notes to the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P. Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Notes to the Standalone Annual Financial Statements for the year ended 31 March, 2022

Corporate Information

Himatsingka Seide Limited ('the Company') is a public limited Company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange. The Company is primarily engaged in manufacturing of home textiles.

The Company's standalone annual financial statements were approved by the Company's Board of Directors on 30 May 2022.

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

1.1 Statement of Compliance

These standalone annual financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules (as amended from time to time) and other relevant provisions of the Act.

1.2 Basis of preparation

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

a. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations.

b. Certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

1.3 Functional and presentation currency

These standalone annual financial statements are presented in India Rupees (₹), which is also the Company's functional currency. All amounts have been presented in rupees in lakhs and rounded off up to two decimals unless otherwise stated.

1.4 Use of estimates, assumption and judgements

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

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

Assumptions, judgements and estimation

Information about assumptions, judgements and estimations that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is summarized below:

a) Note 4 - Valuation of investment

b) Note 4, 5, 6, 10, 33 - Impairment of financial assets including government incentives

c) Note 15 - Measurement of defined benefit obligation: key actuarial assumptions

d) Note 28 - Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources

Impact of COVID-19 (Global pandemic):

The Company has been taking steps, proactively, to protect the health of employees and the working environment from the spread of Covid-19. The Company's operations and revenue during the year ended 31 March 2022 were marginally impacted due to the pandemic. The Company has assessed, and is continuously reviewing, its liquidity, future cash flow projections and the probability of occurrence of the forecasted transactions underlying the hedges based on orders in hand and current indicators of future economic conditions. The financial statements for the year ended 31 March 2022 takes into consideration such assessment of the possible effects of the Covid 19 and the recoverability of the carrying value of its assets. However the impact of pandemic in the subsequent period may be different from the estimations used at the time of finalising these financial statements.

1.5 Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in note 33: financial instruments.

2 Significant accounting policies

2.1 Revenue Recognition

Sale of goods:

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

The Company derives its revenue primarily from sale of products.

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

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

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

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

Scrap sales:

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

Contract balances:

Trade receivables

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

2.2 Other income

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

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

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

2.3 Leases

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

Company as a lessee

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

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

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

The Company applies the short term lease recognition exemption to all assets that have a lease term of 12 months or less from the commencement date. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Further, leases for which the underlying asset is of low value has been recognized immediately in the statement of profit and loss.

2.4 Borrowing cost

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

2.5 Government grants

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

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

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

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

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

2.6 Employee benefits

a. Defined benefit plans

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

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

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

The Company's gratuity scheme is administered through a third party trust and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

b. Short term employee benefits

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

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

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

c. Compensated absences

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

d. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

2.7 Taxation

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

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

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

Deferred tax is not recognised for:

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

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

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

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

2.8 Property, plant and equipment

a. Recognition and measurement:

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

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

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

Assets in the course of construction are capitalised as capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

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

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

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

b. Depreciation:

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

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

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

Class of assets	Years
Buildings	10- 60 years
Plant and machinery*	8 - 40 years
Furniture and fixtures	10 years
Office equipment	3-6 years
Books and catalogues*	4 years
Vehicles	6 -10 years

Land is not depreciated.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss within other gains / losses.

2.9 Intangible assets

a. Recognition and measurement

Acquired intangible assets

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

Internally generated intangible assets

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the standalone statement of profit and loss as incurred.
Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company.

b. Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognized in profit and loss as and when incurred.

c. Amortisation

The Company amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles are as follows:

Class of assets	Useful life
Computer software	4-10 years
Technical know-how	10 years

The residual values, useful lives and method of amortisation of intangible assets are reviewed at each financial year end and adjusted if appropriate.

d. Derecognition of intangible assets

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

2.10 Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash generating unit (CGU) to which the asset belongs.

If such assets/ CGU are considered to be impaired, the impairment to be recognised in the Statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/ CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.11 Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

The method of determination of cost is as follows:

- Raw materials – on a weighted average cost basis
- Stores and spares – on a weighted average cost basis
- Work-in-progress – includes costs of conversion
- Finished goods – includes costs of conversion
- Traded goods – at purchase cost
- Goods in transit – at purchase cost

The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.12 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.13 Provisions and contingent liabilities

Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent liabilities are disclosed by way of note to the standalone Ind AS financial statements.

2.14 Investment in subsidiaries

Investment in subsidiaries are shown at cost less impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss.

On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

2.15 Financial Instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified and measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - debt investment;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in the Statement of profit and loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of profit and loss. Any gain or loss on derecognition is recognised in the Statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the Statement of profit and loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

ii. Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities at fair value through profit or loss include and financial liabilities designated upon initial recognition as at fair value through profit or loss and financial liabilities held for trading. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss."

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the statement of profit and loss.

The Company designates their derivatives as hedge instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the statement of profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

2.17 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.20 Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.21 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the standalone annual financial statements for the year ended 31 March 2022

Note 3.1 : Property, plant and equipment

Particulars	Land (refer note 3.1.2)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Books and catalogue	Total	Capital work-in-progress
Cost:									
Balance as at 1 April 2020	26,682.52	69,023.22	200,905.28	2,928.74	3,411.71	147.53	544.01	303,643.01	17,226.34
Additions (refer note 3.1.1)	-	3,054.30	16,551.78	39.19	110.44	-	-	19,755.71	16,685.30
Disposals	-	-	(116.03)	(1.37)	(17.47)	-	-	(134.87)	-
Transfers/Capitalised	-	-	-	-	-	-	-	-	(19,756.05)
Balance as at 31 March 2021	26,682.52	72,077.52	217,341.03	2,966.56	3,504.68	147.53	544.01	323,263.85	14,155.59
Balance as at 1 April 2021	26,682.52	72,077.52	217,341.03	2,966.56	3,504.68	147.53	544.01	323,263.85	14,155.59
Additions (refer note 3.1.1)	416.11	215.13	14,365.72	45.31	164.82	-	-	15,207.09	5,578.34
Disposals	-	(178.02)	(330.82)	(329.57)	(70.24)	(4.30)	-	(912.95)	-
Transfers/Capitalised	-	-	-	-	-	-	-	-	(15,305.47)
Balance as at 31 March 2022	27,098.63	72,114.63	231,375.93	2,682.30	3,599.26	143.23	544.01	337,557.99	4,428.46
Accumulated depreciation:									
Balance as at 1 April 2020	-	(6,505.76)	(59,938.18)	(1,319.01)	(2,668.45)	(110.84)	(292.57)	(70,834.82)	-
Depreciation charge for the year		(2,647.47)	(8,761.80)	(151.83)	(571.30)	(9.81)	(97.41)	(12,239.62)	-
Disposals		-	76.54	1.27	17.08	-	-	94.89	-
Balance as at 31 March 2021	-	(9,153.23)	(68,623.44)	(1,469.57)	(3,222.67)	(120.65)	(389.98)	(82,979.55)	-
Balance as at 1 April 2021	-	(9,153.23)	(68,623.44)	(1,469.57)	(3,222.67)	(120.65)	(389.98)	(82,979.55)	-
Depreciation charge for the year		(2,620.59)	(10,118.00)	(81.17)	(22.46)	(4.60)	(97.41)	(12,944.23)	-
Disposals		178.02	181.03	329.57	70.20	4.30		763.12	-
Balance as at 31 March 2022	-	(11,595.80)	(78,560.41)	(1,221.17)	(3,174.93)	(120.95)	(487.39)	(95,160.66)	-
Net carrying amount:									
As at 31 March 2022	27,098.63	60,518.83	152,815.52	1,461.13	424.33	22.28	56.62	242,397.34	4,428.46
As at 31 March 2021	26,682.52	62,924.29	148,717.58	1,496.99	282.01	26.88	154.03	240,284.30	14,155.59

Notes

3.1.1 Refer note 14.1 for information on property, plant and equipment pledged as security by the Company.

3.1.2 The Company has entered into lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement amounting to ₹ 6,585.19 lakhs

3.1.3 The above assets other than to the extent mentioned in note 3.1.2 above are owned by the Company.

Notes to the standalone annual financial statements for the year ended 31 March 2022

Note 3.2 : Capital work-in-progress

a) Capital work-in-progress ageing : **(₹ Lacs)**

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,638.65	544.43	1,124.32	121.06	4,428.46
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2022	**2,638.65**	**544.43**	**1,124.32**	**121.06**	**4,428.46**
Projects in progress	12,398.38	1,568.73	60.72	127.76	14,155.59
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2021	**12,398.38**	**1,568.73**	**60.72**	**127.76**	**14,155.59**

There are no projects where the completion is overdue or cost has exceeded when compared to its original plan.

Note 3.3 : Intangible assets **(₹ Lacs)**

Particulars	Computer software	Technical know-how	Total
Cost:			
Balance as at 1 April 2020	**2,998.06**	**324.22**	**3,322.28**
Additions	117.17	-	117.17
Balance as at 31 March 2021	**3,115.23**	**324.22**	**3,439.45**
Balance as at 1 April 2021	**3,115.23**	**324.22**	**3,439.45**
Additions	98.38	-	98.38
Disposals	(229.40)	-	(229.40)
Balance as at 31 March 2022	**2,984.21**	**324.22**	**3,308.43**
Accumulated amortisation:			
Balance as at 1 April 2020	**(1,354.39)**	**(97.26)**	**(1,451.65)**
Amortisation	(377.48)	(32.42)	(409.90)
Balance as at 31 March 2021	**(1,731.87)**	**(129.68)**	**(1,861.55)**
Balance as at 1 April 2021	**(1,731.87)**	**(129.68)**	**(1,861.55)**
Amortisation	(308.54)	(32.42)	(340.96)
Disposals	229.40	-	229.40
Balance as at 31 March 2022	**(1,811.01)**	**(162.10)**	**(1,973.11)**
Net carrying amount:			
As at 31 March 2022	**1,173.20**	**162.12**	**1,335.32**
As at 31 March 2021	**1,383.36**	**194.54**	**1,577.90**

Notes to the standalone financial statements for the year ended 31 March 2022

Note 4 : Investments

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
4A : Non-current investments		
Unquoted Investments		
A. Investment in equity instruments of subsidiary at cost		
Himatsingka Holdings North America, Inc. (refer note 4A.1) Equity shares of USD 10,000 each fully paid up [No. of shares: 12,806 (As at 31 March 2021: 12,149)]	93,893.14	85,379.08
Himatsingka Wovens Private Limited Equity shares of INR 100 each fully paid up [No. of shares: 17,50,000 (As at 31 March 2021: 17,50,000)]	1,683.98	1,683.98
Twill & Oxford LLC Equity shares of AED 100 each fully paid up [No. of shares: 1,470 (As at 31 March 2021: 1,470)]	37.35	37.35
Less: Provision towards impairment of investments (refer note 38)	(37.35)	(37.35)
Total	**95,577.12**	**87,063.06**
Aggregate value of unquoted investments	95,577.12	87,063.06
Aggregate amount of impairment in value of investments	37.35	37.35

Note 4A.1 :

During the year, the Company has made an additional investment of ₹ 8,440.83 lacs (31 March 2021: ₹ 31,066.97 lacs, which includes conversion of intercorporate loans to equity amounting to ₹ 25,258.17 lacs) in Himatsingka Holdings North America, Inc . Further, additional investment includes ₹ 73.23 lacs (31 March 2021: ₹ 113.36 lacs) arising from the financial guarantees provided to the subsidiary.

4B : Current investments

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
4B.1 : Investments in mutual funds (Quoted)		
DSP Short term fund - direct plan growth plan (No. of units: Nil (As at 31 March 2021: 7,14,343.53))	-	277.49
Axis Treasury Advantage Fund direct growth (No. of units: Nil (As at 31 March 2021: 16,904.74))	-	419.67
IDFC Corporate bond fund - direct plan growth plan (No. of units: 21,50,611.31 (As at 31 March 2021: 21,50,611.31))	344.96	328.35
Total	**344.96**	**1,025.51**
Aggregate carrying amount of quoted investments	344.96	1,025.51
Aggregate market value of quoted investments	344.96	1,025.51

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
4B.2 : Investment in equity instruments (Unquoted)		
Atria Wind Power (Chitradurga) Private Limited Equity shares of INR 251 each fully paid up [No. of shares: 2,41,637 (As at 31 March 2021 : 2,76,317)]	606.51	693.55
Atria Wind Power (Basavana Bagewadi) Private Limited Equity shares of INR 193 each fully paid up [No. of shares: 1,85,226 (As at 31 March 2021 : 50,521)]	358.01	97.65
Total (B)	**964.52**	**791.20**
Total (A+B)	**1,309.48**	**1,816.71**

Notes to the standalone financial statements for the year ended 31 March 2022

Note 5 : Loans (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Loans to employees	56.07	56.35
Total	**56.07**	**56.35**
Current		
Unsecured, considered good		
Loans to employees	88.57	50.22
Total	**88.57**	**50.22**

Note 6 : Other financial assets (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Fixed deposits with banks with maturity period more than twelve months*	562.59	6.52
Electricity deposits	791.16	791.16
Other deposits	197.94	203.08
Total	**1,551.69**	**1,000.76**
Current		
(a) Unsecured, considered good		
Interest subsidy receivable	3,126.30	1,978.85
Subsidy receivable under various government schemes	14,444.89	12,245.74
Derivative asset (refer Note 33.2 (iii) (a))	1,382.97	920.80
Interest receivable (refer note 6.1 below)	263.35	7,915.73
Security deposits	278.46	246.03
Other receivables	-	32.36
Total	**19,495.97**	**23,339.51**

* Includes restricted deposits of ₹ 556.07 lacs placed as a lien.

Note 6.1 : Includes interest due from subsidiary

Particulars	As at 31 March 2022	As at 31 March 2021
Himatsingka Holdings North America, Inc.	-	7,618.44
Total	**-**	**7,618.44**

Note 7 : Tax assets and liabilities

Note 7A : Income tax assets and liabilities (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current income tax assets		
Advance tax and taxes deducted at source	22,534.50	20,622.53
Less: Provisions related to the above	(21,175.00)	(19,577.39)
Income tax assets (net)	**1,359.50**	**1,045.14**
Current tax liabilities		
Income tax provisions	16,908.23	14,129.17
Less: Advance tax and taxes deducted at source related to above	(12,421.00)	(12,155.00)
Current tax liabilities (net)	**4,487.23**	**1,974.17**

Note 7B : Deferred tax liabilities (net)*

The following is the analysis of the net deferred tax asset/(liability) position as presented in the financial statements (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
Property, plant and equipments and intangible assets	30,492.31	27,790.23
Cash flow hedge	332.75	262.95
Others	-	20.22
Total deferred tax liabilities (A)	**30,825.06**	**28,073.40**
Deferred tax assets		
Provision for gratuity and compensated absences	1,202.07	1,205.96
Minimum alternate tax (MAT) credit entitlement	17,860.51	18,977.11
Others	1,437.31	487.89
Total deferred tax assets (B)	**20,499.89**	**20,670.96**
Net deferred tax liability / (asset) (A - B)	**10,325.17**	**7,402.44**

*Refer note 31

Note 8 : Other assets (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances	1,271.65	536.52
Contract acquisition costs	3,257.14	4,928.82
Others	59.76	53.45
Total	**4,588.55**	**5,518.79**
Current		
Advances to suppliers	901.66	1,082.87
Balances with government authorities (other than income taxes)	6,394.32	6,360.14
Subsidy receivable under various government schemes	18,798.96	2,546.79
Prepaid expenses	1,850.85	1,070.43
Contract acquisition costs	1,671.68	2,077.05
Others	17.45	10.70
Total	**29,634.92**	**13,147.98**

Note 9 : Inventories (valued at lower of cost and net realizable value) (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and packing materials	7,408.72	3,230.80
Work-in-progress	20,518.58	14,201.41
Finished goods	10,616.63	11,935.96
Stores and spares	2,557.39	3,954.77
Total	**41,101.32**	**33,322.94**
Included above, goods-in-transit:		
Raw materials	3,209.63	1,197.67
Finished goods	39.00	169.16
Total	**3,248.63**	**1,366.83**

Notes to the standalone financial statements for the year ended 31 March 2022

Note 10 : Trade receivables **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	95,410.27	66,566.84
Less: Expected credit loss	(271.11)	(254.98)
Net Trade receivables	**95,139.16**	**66,311.86**

All trade receivables are 'current'.

The Company's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in note 33

Note 10.1 : Bill discounting:

At the end of the reporting period, the carrying amount of the trade receivables that have been discounted (with recourse) and have not been derecognized amounted to ₹ 33,579.88 (31 March 2021: ₹35,228.12 lacs) and associated liability has been disclosed as bill discounting (refer note 17).

Note 10.2 : Details of trade receivables

Of the above, trade receivables from related parties are as below: **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables from related parties (refer note 34)	74,408.15	51,903.85
Total	**74,408.15**	**51,903.85**

For terms and conditions with related parties, refer note 34

Note 10.3 : Expected credit loss assessment for trade receivables as at 31 March 2022 and 31 March 2021 are as follows:

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The movement in allowance for credit loss in respect of trade and other receivables are as follows :

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	(254.98)	(147.43)
Change in allowance for expected credit loss (net)	(16.13)	(107.55)
Balance as at end of the year	**(271.11)**	**(254.98)**

The Company's exposure to credit and currency risk related to trade receivables are disclosed in note 33.

Note 10.4: Trade receivables ageing schedule

As at 31 March 2022 **(₹ Lacs)**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	
Undisputed trade receivables - considered good	86,473.96	8,060.82	355.72	146.97	56.46	92.15	95,186.08
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	224.19	224.19
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**86,473.96**	**8,060.82**	**355.72**	**146.97**	**56.46**	**316.34**	**95,410.27**
Less: Allowance for expected credit loss							(271.11)
Net Trade receivables							**95,139.16**

As at 31 March 2021 **(₹ Lacs)**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	
Undisputed trade receivables - considered good	62,270.56	3,534.49	342.03	64.03	79.86	51.68	66,342.65
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	224.19	224.19
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**62,270.56**	**3,534.49**	**342.03**	**64.03**	**79.86**	**275.87**	**66,566.84**
Less: Allowance for expected credit loss							(254.98)
Net Trade receivables							**66,311.86**

Note 11A : Cash and bank balances **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents consists of		
Cash on hand	8.31	6.39
Balance with banks		
- in current accounts	8,691.62	6,500.82
- in deposit accounts (with original maturity period of less than three months)	2,391.00	-
Total	**11,090.93**	**6,507.21**

Note 11B : Other bank balances **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Other bank balances consists of		
Other bank balances (refer note 11.1)	84.75	99.81
In deposit account (with original maturity more than three months but less than twelve months)	5,098.32	5,802.57
	5,183.07	**5,902.38**

Note 11.1 : Other bank balances represent earmarked balances in respect of unpaid dividends.

Note 12 : Equity share capital **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
13,40,00,000 equity shares (31 March 2021: 13,40,00,000 equity shares) of par value of ₹ 5 each	6,700.00	6,700.00
Issued		
9,84,96,160 equity shares (31 March 2021: 9,84,96,160 equity shares) of par value of ₹ 5 each	4,924.81	4,924.81
Subscribed and fully paid-up		
9,84,57,160 equity shares (31 March 2021: 9,84,57,160 equity shares) of par value of ₹ 5 each	4,922.86	4,922.86

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
At the commencement of the year	98,457,160	4,922.86	98,457,160	4,922.86
At the end of the year	98,457,160	4,922.86	98,457,160	4,922.86

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Details of shareholders holding more than 5% of equity shares in the Company

Particulars	31 March 2022		31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Dinesh Kumar Himatsingka	11,902,000	12.09%	11,902,000	12.09%
Shrikant Himatsingka	8,546,964	8.68%	8,546,964	8.68%
Bihar Mercantile Union Limited	6,268,234	6.37%	6,268,234	6.37%
Rajshree Himatsingka	5,897,260	5.99%	5,897,260	5.99%
Templeton India Equity Income Fund	-	-	7,455,121	7.57%

Disclosure of Shareholding of promoters in the equity share capital of the Company

Promoters name	31 March 2022			31 March 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dinesh Kumar Himatsingka	11,902,000	12.09%	0.00%	11,902,000	12.09%	-0.07%
Shrikant Himatsingka	8,546,964	8.68%	0.00%	8,546,964	8.68%	0.07%
Bihar Mercantile Union Private Limited	6,268,234	6.37%	0.00%	6,268,234	6.37%	-1.68%
Rajshree Himatsingka	5,897,260	5.99%	0.00%	5,897,260	5.99%	0.00%
Awdhan Trading Company Limited	4,128,736	4.19%	0.00%	4,128,736	4.19%	0.36%
Orient Silk Private Limited	3,434,768	3.49%	0.00%	3,434,768	3.49%	0.72%
Aditya Resources Limited	3,297,470	3.35%	0.00%	3,297,470	3.35%	0.31%
Priya Resources Private Limited	3,121,360	3.17%	0.00%	3,121,360	3.17%	0.30%
Priyadarshini Himatsingka	237,800	0.24%	0.00%	237,800	0.24%	0.00%

Note 13 : Other equity **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital reserve (refer note 13.1)	17.04	17.04
Securities premium account (refer note 13.2)	27,675.71	27,675.71
General reserve (refer note 13.3)	17,270.17	17,270.17
Retained earnings (refer note 13.4)	120,824.90	105,884.62
Reserves and surplus	**165,787.82**	**150,847.54**
Cash flow hedge reserve (refer note 13.5)	619.90	489.94
Remeasurement of net defined benefit liability, net	(327.43)	(342.47)
Other comprehensive income	**292.47**	**147.47**
Total	**166,080.29**	**150,995.01**

Notes:

13.1 Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserves. The reserve is not available for distribution.

13.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve can be utilized in accordance with the provision of Section 52 of the Companies Act, 2013

13.3 This represents appropriation of profit by the Company. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

13.4 Retained earnings comprise of the Company's undistributed earnings after taxes. The amount can be distributed by the Company as dividends to its equity shareholders.

13.5 The cash flow hedging reserve represents effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of profit and loss when the hedged items (Sales of goods) affects profit or loss .

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Retained earnings		
Opening balance	105,884.62	101,001.42
Add: Profit for the year	15,432.57	5,375.49
Less: Payment of dividends (refer note 40)	(492.29)	(492.29)
Total	**120,824.90**	**105,884.62**
Effective portion of cash flow hedge		
Opening balance	489.94	(1,742.88)
Effective portion of gain arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges recognised in Hedging Reserve	2,292.05	3,831.89
Cumulative gain reclassified to profit or loss	(2,092.29)	(399.74)
Income tax related to net gains recognised in other comprehensive income	(69.80)	(1,199.33)
Total	**619.90**	**489.94**
Remeasurement of net defined benefit liability or asset		
Opening balance	(342.47)	(192.20)
Other comprehensive (loss) / income for the year, net of tax	15.04	(150.27)
Total	**(327.43)**	**(342.47)**

Note 14 : Non current borrowings **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans: (refer note 14.1)		
Term loans		
From banks	67,162.68	77,681.04
From financial institutions	84,529.56	49,896.02
Total	**151,692.24**	**127,577.06**

Note 14.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
i) Term loans from bank (Secured)						
Loan 1	-	-	-	3,549.85	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	20 equal quarterly installments commencing on 31 December 2016. The loan was fully repaid durimg the year ended 31 March 2022.
Loan 2	13,320.23	1,825.64	15,104.94	1,217.09	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date. The outstanding term as of 31 March 2022 was 28 installments.
Loan 3	-	755.75	3,795.60	3,345.50	Exclusive charge on properties owned by the Company and its subsidiary Himatsingka Wovens Private Limited.	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%) The outstanding term as of 31 March 2022 was 1 installment.
Loan 4	10,638.98	615.32	11,262.18	615.32	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019 The outstanding term as of 31 March 2022 was 31 installments.
Loan 5	10,692.74	651.60	11,352.17	651.60	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019 The outstanding term as of 31 March 2022 was 31 installments.
Loan 6	12,663.34	772.00	13,444.61	772.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019 The outstanding term as of 31 March 2022 was 31 installments.
Loan 7	-	-	2,761.95	2,000.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant including proposed project assets present and future.	Loan shall be repaid in 16 quarterly installments commencing from 31 March 2019. The loan was fully repaid during the year ended 31 March 2022.
Loan 8	6,185.10	-	11,246.06	3,789.67	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%) The outstanding term as of 31 March 2021 was 1 installment.
Loan 9	6,656.19	-	8,117.98	1,000.00	Subservient charge on all present and future moveable fixed assets.	28 quarterly installments payable at the end of each quarter starting from 3 months from date of 1st disbursement. The outstanding term as of 31 March 2022 was 14 installments.
Loan 10	502.42	74.50	595.55	217.81	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 38 quarterly installments commencing from 30 September 2020 The outstanding term as of 31 March 2022 was 31 installments.
Loan 11	4,794.73	125.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant.	Loan shall be repaid in 28 quaterly installments commencing from post completion of moratorium period of 12 months. The outstanding term as of 31 March 2022 was 28 installments.
Loan 12	1,708.95	200.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 24 quaterly installments commencing from post completion of initial moratorium period of 12 months. The outstanding term as of 31 March 2022 was 24 installments.
Total	**67,162.68**	**5,019.82**	**77,681.04**	**17,158.84**		

The rate of interest on the above term loans is in the range of 4.03 % to 10.83 % (Previous Year: 3.71% to 11.26%).

Notes to the standalone financial statements for the year ended 31 March 2022

Note 14.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
ii) Term loan from financial institution (Secured)						
Loan 1	314.69	254.61	566.93	254.61	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of 31 March 2022 was 9 installments.
Loan 2	700.46	363.20	1,057.20	363.20	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of 31 March 2022 was 12 installments.
Loan 3	11,882.01	1,878.37	13,734.92	1,643.57	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of 31 March 2022 was 23 installments .
Loan 4	24,500.35	2,904.72	27,364.89	2,323.78	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date which ever is earlier. The outstanding term as of 31 March 2022 was 28 installments.
Loan 5	5,612.88	328.88	6,505.37	375.43	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant including proposed project assets present and future.	Loan shall be repaid in 40 quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The outstanding term as of 31 March 2022 was 28 installments.
Loan 6	244.93	244.93	68.15	477.04	First ranking pledge on the investment made by the Company in Atria Wind Power Limited.	Repayable in next 2 years.
Loan 7	127.46	62.95	190.41	56.98	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 Monthly installments commencing from November 2020 The outstanding term as of 31 March 2022 was 31 installments.
Loan 8	147.74	63.35	211.10	57.35	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 Monthly installments commencing from February 2021 The outstanding term as of 31 March 2022 was 34 installments.
Loan 9	126.90	70.16	197.05	63.51	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 Monthly installments commencing from September 2020 The outstanding term as of 31 March 2022 was 29 installments.
Loan 10	120.86	30.30	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from April 2021. The outstanding term as of 31 March 2022 was 18 installments.
Loan 11	121.73	31.05	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 20 quarterly installments commencing from April 2021. The outstanding term as of 31 March 2022 was 16 installments.
Loan 12	26.51	5.91	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from August 2021. The outstanding term as of 31 March 2022 was 18 installments.
Loan 13	174.53	40.96	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from June 2021. The outstanding term as of 31 March 2022 was 17 installments.
Loan 14	186.16	42.37	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from July 2021. The outstanding term as of 31 March 2022 was 17 installments.
Loan 15	54.71	11.05	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 60 Monthly installments commencing from November 2021. The outstanding term as of 31 March 2022 was 55 installments.

Note 14.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 16	9,682.25	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2022 was 21 installments.
Loan 17	3,881.98	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2022 was 21 installments.
Loan 18	5,812.40	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2022 was 21 installments.
Loan 19	3,280.07	666.67	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant.	Loan shall be repaid in 18 quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2022 was 18 installments.
Loan 20	4,377.96	400.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan Shall be repaid in 24 quaterly installments commencing from post completion of principle moratorium period of 12 months. The outstanding term as of 31 March 2022 was 24 installments.
Loan 21	9,649.57	1,222.22			First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant.	Loan shall be repaid in 18 quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2022 was 18 installments.
Loan 22	3,503.42	461.54			First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant.	Loan shall be repaid in 26 quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2022 was 26 installments.
Total	**84,529.57**	**9,083.22**	**49,896.02**	**5,615.47**		

The rate of interest on the above term loans is in the range of 9.03 % to 13.56 % (Previous year 9.58% to 10%).

Notes to the standalone financial statements for the year ended 31 March 2022

Note 15: Provisions

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for gratuity (refer note 15.1)	1,997.05	1,946.20
Total	**1,997.05**	**1,946.20**
Current		
Provision for compensated absences	965.08	834.15
Provision for gratuity (refer note 15.1)	483.20	191.92
Total	**1,448.28**	**1,026.07**

Note 15.1 : Employee benefit

The Company operates the following post-employment defined benefit plan.

Defined benefit plan

The Company operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act,1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. There is no maximum limit for the payment of gratuity benefit. The present value of obligation is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(A) Funding

"The Company's gratuity scheme for employees is administered through third party trust. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Company expects to pay ₹ 483.20 lacs in contributions to its defined benefit plans in financial year 2022-23.

The expected maturity analysis of undiscounted gratuity is as follows: **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
1 year	651.29	480.84
2 to 5 years	993.12	824.80
6 to 10 years	1,073.24	966.85
More than 10 years	1,044.98	1,203.97

(B) Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

Reconciliation of present value of defined benefit obligation (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Obligation at the beginning of the year	2,427.04	2,026.30
Interest cost	116.42	110.35
Current service cost	272.69	182.22
Benefits paid	(145.09)	(132.62)
Actuarial (gains)/losses on obligations recognised in other comprehensive income		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(263.16)	329.30
- Experience adjustments	240.44	(88.51)
Obligation at the end of the year	**2,648.34**	**2,427.04**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	288.92	348.89
Interest income on plan assets	13.86	19.00
Contributions	10.00	43.82
Benefits paid	(145.09)	(132.62)
Return on plan assets, excluding interest income recognised in other comprehensive income	0.40	9.83
Plan assets at the end of the year, at fair value	**168.09**	**288.92**
Net defined benefit liability	**2,480.25**	**2,138.12**

(C) (i) Expense recognised in the statement of profit or loss (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	272.69	182.22
Interest cost	116.42	110.35
Expected return on plan assets	(13.86)	(19.00)
Net benefit expense	**375.25**	**273.57**

(ii) Remeasurement recognised in other comprehensive income (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss on defined benefit obligation	(22.72)	240.80
Return on plan assets, excluding amount recognised in net interest expense	(0.40)	(9.83)
Total loss recognised in other comprehensive income	**(23.12)**	**230.97**

(D) Plan assets (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Insurance fund	168.09	288.92
Total	**168.09**	**288.92**

(E) Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	5.40%	4.80%
Future salary growth	5.00%	6.00%
Mortality [IALM 2012-14]	100.00%	100.00%
Attrition rate	2% - 40%	2% - 40%
Weighted average duration of defined benefit obligation (in years)	5	6
Retirement age (in years)	58	58

Notes to the standalone financial statements for the year ended 31 March 2022

Notes:

(i) The discount rate is based on the prevailing market yield on government bonds as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Projected benefit obligation on current assumptions (Gross)	2,648.34	2,427.04
Impact of change in discount rate by +1%	2,504.19	2,274.90
Impact of change in discount rate by -1%	2,808.89	2,598.37
Impact of change in salary growth rate by +1%	2,807.93	2,594.63
Impact of change in salary growth rate by -1%	2,502.35	2,275.18
Impact of change in attrition rate by +50%	2,585.16	2,353.48
Impact of change in attrition rate by -50%	2,754.06	2,550.56
Impact of change in mortality rate by +10%	2,648.49	2,426.65
Impact of change in mortality rate by -10%	2,648.18	2,427.43

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

Defined contribution plans:

The Company's contribution to various defined contribution plans recognised in the statement of profit and loss under the head employee benefit expense are as follows:

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Provident fund	806.95	648.08
Employees' state insurance	329.64	213.24
Superannuation fund	4.15	12.65
Total	**1,140.74**	**873.97**

Note 16 : Other liabilities **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Deferred income arising from government grant (refer note 16.1 below)	26,602.59	28,319.27
Total	**26,602.59**	**28,319.27**
Current		
Deferred income arising from government grant (refer note 16.1 below)	1,915.07	1,860.37
Advances received from customers	559.46	585.26
Statutory liabilities	565.31	426.51
Total	**3,039.84**	**2,872.14**

Notes to the standalone financial statements for the year ended 31 March 2022

Note 16.1 : Deferred income arising from government grant

The Company has received government grants in the form of import duty exemption and subsidy on purchase of capital goods , based on the terms of the respective schemes. The Company recognises such grants in statement of profit or loss on a systematic basis over the period in which the related expenses (the related costs for which the grants are intended to compensate) are incurred and charged to the income statement. The Company has presented such amortisation of deferred income as a deduction from the related expenses.

Note 17 : Current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured borrowings		
Loans repayable on demand		
From banks (refer note 17.1 and 17.2 below)	64,821.26	47,109.11
Bill discounting (refer note 10.1)	33,579.88	35,228.12
Current maturities of non-current borrowings (refer note 14.1)	14,103.04	22,774.31
Total	**112,504.18**	**105,111.54**

Note-17.1: The weighted average effective interest rate (net of subsidy) on the bank loans is 5.10 % per annum (5.78% as at 31 March 2021).

Note-17.2: Working capital limits are secured against present and future inventory and trade receivables on pari-passu basis.

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 33.

Note 18: Trade payables

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Dues of micro and small enterprises (refer note 18.1)	10,015.21	7,137.75
Dues of creditors other than micro and small enterprises	54,869.68	46,928.70
Total	**64,884.89**	**54,066.45**

All trade payables are current.

The Company's exposure to currency and liquidity risk are disclosed in note 33.

For terms and conditions with related parties, refer to note 34.

Note 18.1 : Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, small and medium enterprises development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31 March 2022 and 31 March 2021 is as under:

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal*	10,246.08	7,774.65
- Interest	175.21	100.92
The amount of interest paid by the buyer in terms of Section 16 of Micro, small and medium enterprises development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		
- Principal	23,993.32	9,384.53
- Interest	77.16	303.97
The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	264.36	196.57
The amount of interest accrued and remaining unpaid at the end of year	439.57	297.49

* Includes principal amount of ₹ 230.87 lacs (31 March 2021: ₹ 636.90 lacs) remaining unpaid to capital creditors.

Note 18.2: Trade Payables ageing schedule

As at March 2022 **(₹ Lacs)**

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 -2 year	2 -3 year	More than 3 years	
(i) MSME*		5,214.38	4,763.34	30.82	6.68	-	10,015.21
(ii) Others	3,850.19	30,326.08	19,477.09	464.29	-	752.02	54,869.67
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,850.19**	**35,540.46**	**24,240.42**	**495.11**	**6.68**	**752.02**	**64,884.89**

As at March 2021 **(₹ Lacs)**

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 -2 year	2 -3 year	More than 3 years	
(i) MSME*		4,206.18	2,905.19	20.98	5.40	-	7,137.75
(ii) Others	3,375.61	32,279.71	10,356.74	231.19	5.14	680.31	46,928.70
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,375.61**	**36,485.89**	**13,261.93**	**252.17**	**10.54**	**680.31**	**54,066.45**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Note 19 : Other financial liabilities **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital creditors (refer note 19.1)	-	644.63
Total	**-**	**644.63**
Current		
Interest accrued but not due on borrowings	1,719.05	1,330.79
Capital creditors (refer note 19.1)	1,048.15	9,600.00
Employee related liabilities	3,136.36	3,043.62
Derivative liability (refer Note 33.2 (iii) (a))	364.57	168.68
Unclaimed dividend (refer note 19.2)	84.72	99.77
Total	**6,352.85**	**14,242.86**

The Company's exposure to currency and liquidity risk are disclosed in note 33.

19.1 Includes principal amount of ₹ 230.87 lacs (31 March 2021: ₹ 636.90 lacs) related to Micro, small and medium enterprises.

19.2 Unclaimed dividends when due shall be credited to Investor Protection and Education Fund. There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

Note 20 : Revenue from operations **(₹ Lacs)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from sale of goods	255,640.26	154,363.21
Other operating revenues (refer note 20.1 below)	30,257.39	13,827.63
Total revenue from operations	**285,897.65**	**168,190.84**
Note 20.1 : Other operating revenue comprises of :		
Sale of waste and scrap	5,890.73	3,832.91
Export incentive (refer note 20.2 below)	24,366.66	9,994.72
Total	**30,257.39**	**13,827.63**

Note 20.2 : Pursuant to the approval granted by the Union Cabinet on 14 July 2021 for continuation of Rebate of State and Central Taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide notification dated 8 March 2019 on exports of Apparel / Garments and Made up, the Company during the year had recognised the benefit of RoSCTL of ₹ 3,532 lacs pertaining to eligible export sales for the period from 1 January 2021 to 31 March 2021 which had previously not been recognised as the rates were not notified as at 31 March 2021.

Note 21 : Other income (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Interest income		
Interest from bank deposits	218.64	859.30
Interest on inter company deposits	-	1,333.46
Interest on electricity deposits	32.00	23.31
Others	24.36	64.58
	275.00	**2,280.65**
b. Other than interest income		
Foreign exchange gain, net	1,407.10	-
Profit on sale of current investments	60.37	49.66
Income on financial guarantee contracts	73.24	113.36
Gain on current investments carried at fair value through profit or loss	-	74.25
Income on derecognition of leases	-	269.95
Miscellaneous income	178.25	17.39
	1,718.96	**524.61**
Total	**1,993.96**	**2,805.26**

Note 22: Cost of materials consumed and changes in inventories (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Raw material consumed	**164,826.73**	**76,619.85**
B. Changes in inventories of finished goods and work-in-progress		
Opening stock		
- Work in progress	14,201.41	19,992.90
- Finished goods	11,935.96	13,874.55
Closing stock :		
- Work in progress	20,518.58	14,201.41
- Finished goods	10,616.63	11,935.96
Changes in inventories of finished goods and work-in-progress	**(4,997.84)**	**7,730.08**

Note 23 : Employee benefits expense (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	22,182.63	16,859.11
Contribution to provident and other funds	1,140.74	873.97
Gratuity expenses	375.26	273.57
Expenses related to compensated absence	555.81	485.85
Workmen and staff welfare expenses	3,461.41	2,119.31
Total	**27,715.85**	**20,611.81**

Notes to the standalone financial statements for the year ended 31 March 2022

Note 24 : Finance costs

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on :		
On financial liability at amortised cost		
Interest on term loan [net of subsidy ₹ 6,033.26 lacs (previous year: ₹ 5,814.89 lacs)]	7,220.71	8,178.08
Interest on working capital loans	4,610.38	4,958.73
Interest on payment of income tax	270.00	100.00
Interest on MSMED vendors	439.57	297.49
Interest expense on lease liabilities	-	22.64
Other borrowing costs	1,815.93	834.75
Exchange differences regarded as an adjustment to borrowing costs	329.47	-
Total	**14,686.06**	**14,391.68**

Note 25 : Depreciation and amortisation expense

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 3.1)	12,944.23	12,239.62
Amortization of intangible assets (refer note 3.3)	340.96	409.90
Depreciation on Right-of-use of asset (refer note 29)	-	55.13
Less: Amortization of deferred income on government grants (refer note 16.1)	(1,900.32)	(1,817.32)
Total	**11,384.87**	**10,887.33**

Note 26 : Other expenses

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spare parts	1,564.28	1,414.88
Power and fuel	26,250.79	12,591.59
Contract labour charges	4,568.38	3,654.82
Job work charges	2,480.85	694.17
Other manufacturing expenses	967.96	598.56
Freight outward, net	6,748.47	4,026.34
Rent	921.34	953.94
Travelling and conveyance	1,502.74	859.18
Advertisement, selling and publicity expense	1,127.92	1,052.33
Professional and consultancy charges (refer note 26.1 below)	1,255.39	1,347.95
Repairs and maintenance		
i. plant and machinery	453.84	305.44
ii. buildings	90.33	90.35
iii. others	395.92	326.10
Insurance	869.32	663.55
Expenditure on corporate social responsibility (CSR) (refer note 26.2 below)	432.57	575.61
Security charges	414.03	305.52
Communication expenses	460.50	369.07
Rates and taxes	434.36	146.39
Printing and stationery	46.70	27.42
Commission on sales	43.64	31.95
Loss on sale of property, plant and equipment, net	146.13	38.02
Loss allowance on financial assets, net	35.64	107.55
Inter company deposits and interest receivable written off	-	747.64
Provision towards impairment of investment in subsidiary	-	37.35
Foreign exchange loss, net	-	1,105.44
Loss on current investments carried at fair value through profit or loss	40.46	-
Miscellaneous expenses	640.39	551.66
Total	**51,891.95**	**32,622.82**

Notes to the standalone financial statements for the year ended 31 March 2022

Note 26.1 : Payments to auditors **(₹ Lacs)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
For audit	62.50	62.50
For tax audit matters	3.00	3.00
For other services	7.00	3.75
For reimbursement of expenses	3.63	3.21
Total	**76.13**	**72.46**

Note 26.2 : Corporate Social Responsibility

The Company has spent towards various schemes of corporate social responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. The details are:

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Amount required to be spent by the company during the year	432.05	573.03
ii) Amount of expenditure incurred on:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (i) above	162.57	575.61
(iii) Shortfall/(excess) at the end of the year	270.00	(2.58)
(iv) Total of previous years shortfall	-	43.88
(v) Reason for shortfall	Pertains to ongoing projects	Not applicable
(vi) Nature of CSR activities	Covid-19 mitigation and allied expenses, Promoting health care including preventive health care, special education, rural development project and promoting education.	
(vii) Details of related party transactions		
a) Contribution to Himatsingka Foundation in relation to CSR expenditure	401.09	72.00

Note 27 : Commitments

i) Capital commitments:

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	836.07	2,397.67

ii) Other commitments

The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme and Advance Authorisation to utilise the benefit of zero or concessional custom duty rate. The benefits are subject to future exports within the stipulated period. Such export obligation at year end aggregate to ₹ 7621.14 lacs (31 March 2021 : ₹ 20,360.35 lacs).

Note 28 : Contingent liabilities (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
a) Claims against Company not acknowledged as debt		
- Income tax matters (refer note 28.1)	131.28	162.11
- Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 28.1)	797.37	668.90
	928.65	**831.01**
b) Corporate guarantee given towards credit facilities on behalf of subsidiaries		
- Financial institutions	16,658.40	16,176.05
- Banks	-	7,684.07
- Others	4,997.52	3,382.27
	21,655.92	**27,242.39**
Total	**22,584.57**	**28,073.40**

Note 28.1 : The above amounts have been arrived at based on the notice of demand or the assessment orders, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows including interest and other consequential payments, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. The Company doesn't expect any reimbursements in respect of the above contingent liabilities.

Note 29 : Leases

I. Right-of-use assets: (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Buildings		
Cost:		
Balance as at the beginning of the year	-	673.79
De-recognition of right-of-use of asset	-	(618.66)
Amortisation for the year	-	(55.13)
Balance as at the end of the year	**-**	**-**

The Company also has certain buildings on lease with contract terms of less than one year. These leases are classified as short-term. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

II. Lease liabilities: (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening lease liabilities	-	958.56
Leases surrendered	-	(888.61)
Interest expense on lease liabilities	-	22.64
Payment of lease liabilities	-	(92.59)
Balance as at the end of the year	**-**	**-**
Current	-	-
Non-current	-	-

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate.

III. Amounts recognised in profit or loss **(₹ Lacs)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	-	22.64
Depreciation expense on right-of-use asset	-	55.13
Income on derecognition of leases (included in other income)	-	269.95
Expenses relating to short-term leases (included in other expenses)	-	953.94
Total	**-**	**1,301.66**

IV. Amounts recognised in statement of cash flows **(₹ Lacs)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
The total cash outflow for leases including cash outflow of short-term leases and leases of low-value assets	921.34	1,046.53

Note 30 : Segment reporting

The Managing Director and Chief Executive Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is structured into a single segment of Home Textiles value chain, and accordingly the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the Home textile and segment information has been presented accordingly.

The geographical information analyses the Company's revenue from external customer and non-current assets of its single reportable segment by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

a) Geographical revenues are segregated based on the location of the customers who are invoiced or in relation to which the revenue is otherwise recognised:

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
North America	221,227.94	129,845.65
India and Asia Pacific	9,290.33	8,167.99
Europe, Middle East and Africa	24,500.13	15,512.89
Rest of the world	621.86	836.68
Total	**255,640.26**	**154,363.21**

For trade receivable refer note 33

Revenue from major customers

Customers contributing 10% or more of Company's revenue aggregates to 80.54% of the total revenue in financial year 2021-22 (71.65% in the financial year 2020-21)

b) All non-current assets other than financial instruments, deferred tax assets of the Company are located in India.

Notes to the standalone financial statements for the year ended 31 March 2022

Note 31 : Income Taxes

Amount recognised in statement of profit and loss (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
In respect of the current year	4,274.00	1,498.00
	4,274.00	**1,498.00**
Deferred tax		
In respect of the current year	2,677.42	1,259.04
	2,677.42	**1,259.04**
Income tax expense reported in the statement of profit and loss	**6,951.42**	**2,757.04**

Income tax recognised in other comprehensive income

Deferred tax :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurements of the defined benefit liabilities / (asset)	8.08	(80.70)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	69.80	1,199.33
Income tax charged to other comprehensive (loss)/ income	**77.88**	**1,118.63**

Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before income tax	22,383.99	8,132.53
Enacted income tax rate in India	34.944%	34.944%
Tax using the Company's domestic tax rate	7,821.86	2,841.83
Effects of tax concessions and MAT entitlement	(141.39)	(274.16)
Effects of non - deductible expenses for tax purposes	321.68	199.48
Effects due to differential tax rates on capital gains	4.71	(10.11)
Others including effects of incentive income accounted in currrent year while offered for tax in the previous year (refer note 20.2)	(1,055.44)	-
Total income tax expense recognised in the statement of profit and loss	**6,951.42**	**2,757.04**
Effective tax rate	**31.06%**	**33.90%**

The Company has not elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Note 31 : Income Taxes (continued)

Deferred tax

Deferred tax relates to the following:

(₹ Lacs)

Particulars	As at 1 April 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	As at 31 March 2021	Recognised in profit or loss during 2021-2022	Recognised in OCI during 2021-22	MAT Utilization	As at 31 March 2022
Deferred tax assets / (liabilities), net								
Property, Plant and Equipment (including land)	(24997.42)	(2,792.81)	-	(27790.23)	(2,702.08)	-	-	(30492.31)
Cash flow hedge	1,335.31	(398.93)	(1,199.33)	(262.95)	-	(69.80)	-	(332.75)
Investments at fair value through profit or loss	(8.65)	(11.57)	-	(20.22)	29.64	-	-	9.42
Provision for gratuity and compensated absences	803.68	321.58	80.70	1,205.96	4.19	(8.08)	-	1,202.07
Leases	99.51	(99.51)	-	-	-	-	-	-
Others	263.69	224.20	-	487.89	940.00	-	-	1,427.89
Minimum Alternate Tax Credit	17,479.11	1,498.00	-	18,977.11	(949.17)	-	(167.43)	(17,860.51)
Deferred tax assets / (liabilities), net*	**(5,024.77)**	**(1,259.04)**	**(1,118.63)**	**(7,402.44)**	**(2,677.42)**	**(77.88)**	**(167.43)**	**(10,325.17)**

*refer note 7(B)

Note 32 : Earning per share

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit for the year attributable to equity shareholders	15,432.57	5,375.49

Reconciliation of basic and diluted shares used in computing earning per share:

Particulars	As at 31 March 2022	As at 31 March 2021
Number of equity shares outstanding at the beginning of the year	98,457,160	98,457,160
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	98,457,160	98,457,160

Earning per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic	15.67	5.46
Diluted	15.67	5.46

Note 33 : Financial instruments:

33.1 : Categories of financial instruments:

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(₹ Lacs)

Particulars	Carrying amount 31 March 2022	Fair value		
		Level 1	Level 2	Level 3
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	11,090.93	-	-	-
Other bank balances	5,183.07	-	-	-
Trade receivables	95,139.16	-	-	-
Loans (current and non-current)	144.64	-	-	-
Other financial assets (current and non-current)	19,664.69	-	-	-
Investments (non-current)	95,577.12	-	-	-
Measured at FVTOCI				
Derivative assets	1,382.97	-	1,382.97	-
Measured at FVTPL				
Current investments	1,309.48	344.96	-	964.52
Total	**229,492.06**	**344.96**	**1,382.97**	**964.52**
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	264,196.42	-	-	-
Trade payables	64,884.89	-	-	-
Other financial liabilities (current and non-current)	5,988.28	-	-	-
Measured at FVTOCI				
Derivative liability	364.57	-	364.57	-
Total	**335,434.16**	**-**	**364.57**	**-**

(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2021	Level 1	Level 2	Level 3
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	6,507.21	-	-	-
Other bank balances	5,902.38	-	-	-
Trade receivables	66,311.86	-	-	-
Loans (current and non-current)	106.57	-	-	-
Other financial assets (current and non-current)	23,419.47	-	-	-
Investments (non-current)	87,063.06	-	-	-
Measured at FVTOCI				
Derivative asset	920.80	-	920.80	-
Measured at FVTPL				
Current investments	1,816.71	1,025.51	-	791.20
Total	**192,048.06**	**1,025.51**	**920.80**	**791.20**
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	232,688.60	-	**-**	**-**
Trade payables	54,066.45	-	-	-
Other financial liabilities (current and non-current)	14,718.81	-	-	-
Measured at FVTOCI				
Derivative liability	168.68	-	168.68	-
Total	**301,642.54**	**-**	**168.68**	

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial assets:

The Company has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

Current Investments : Fair value of quoted mutual funds units is based on quoted market price at the reporting date.

Financial liabilities:

Borrowings: It includes loans taken from banks and financial institution, cash credit and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on loans is reset on a monthly / quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed almost equal to the carrying values.

Note 33.2 : Financial risk management:

The Company's activities expose to financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Bank deposits includes an amount of ₹ 7,416.39 lacs held with a bank having high quality credit rating which is individually in excess of 10% or more of the Company's total bank deposits for the year ended 31 March 2022. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 1,32,942.20 lacs and ₹ 1,04,187.41 lacs as at 31 March 2022, and 31 March 2021, respectively, being the total of the carrying amount of balances with banks, bank deposits, current investments ,trade receivables and other financial assets excluding cash in hand and equity investments.

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) is as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross %	Net %	Gross %	Net %
North America	86%	86%	86%	86%
India and Asia pacific	7%	7%	4%	4%
Europe, Middle east and Africa	6%	6%	9%	9%
Rest of the world	1%	1%	1%	1%

Geographical concentration of trade receivables is allocated based on the location of the customers.

ii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Management monitors rolling forecast of the Company's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

A) Financing arrangement

The Company maintains the following line of credit:

(a) Terms loans taken from banks aggregating to ₹ 72,182.50 lacs (31 March 2021: ₹ 94,839.88 lacs) repayable in various quarterly and yearly installments with interest rate ranging from 4.03% to 10.83% (31 March 2021: 3.71% to 11.26%) per annum. Term Loan from financial institutions aggregating to ₹ 93,612.79 lacs (31 March 2021: ₹ 55,511.49 lacs) with interest rate ranging from 9.03% - 13.56% (31 March 2021: 9.58% - 10%) per annum.

(b) Working capital loans from banks carry an effective interest rate of 5.10% per annum., computed on a monthly basis on the actual amount utilized, and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts of the Company and second pari passu charge on the movable (other than those exclusively charged) and immovable fixed assets of the Company.

(c) The Company has taken receivable bill discounting facility from banks which are payable within 120 days from date of bill discounted.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2022 **(₹ Lacs)**

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Financial liabilities:					
Borrowings	264,196.42	320,448.50	125,934.28	142,139.10	52,375.12
Trade payables	64,884.89	64,884.89	64,884.89	-	-
Other financial liabilities	6,352.85	6,352.85	6,352.85	-	-

As at 31 March 2021 **(₹ Lacs)**

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Financial liabilities:					
Borrowings	232,688.60	287,015.70	116,663.59	108,413.18	61,938.94
Trade payables	54,066.45	54,066.45	54,066.45	-	-
Other financial liabilities	14,887.49	14,887.49	14,887.49	-	-

As disclosed in note 14.1, the Company has secured loan from banks and financial institutions that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk:

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is ₹. The currencies in which these transactions are primarily denominated are USD, GBP etc.

Management monitors the movement in foreign currency and the Company's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Company decides to exchange its foreign currency. A significant portion of the Company's revenues are in foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to foreign currencies, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative and non-derivative financial instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

Note 33.2 : Financial risk management (continued)

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Sell Contracts:

Currency	As at 31 March 2022			As at 31 March 2021		
	in Foreign currency in (million)	₹ Lacs	MTM (₹ lacs)	in Foreign currency in (million)	₹ Lacs	MTM (₹ lacs)
In USD	230.29	178,974.63	1,033.99	143.90	108,976.29	775.34
Total		**178,974.63**	**1,033.99**		**108,976.29**	**775.34**

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Buy Contracts:

Currency	As at 31 March 2022			As at 31 March 2021		
	in Foreign currency in (million)	₹ Lacs	MTM (₹ lacs)	in Foreign currency in (million)	₹ Lacs	MTM (₹ lacs)
In EURO	0.76	663.33	(5.66)	2.35	2,109.61	(35.09)
In JPY	-	-	-	71.62	518.84	(6.09)
In USD	5.37	4,131.95	(9.93)	4.17	3,113.52	17.97
Total		**4,795.28**	**(15.59)**		**5,741.97**	**(23.21)**

The foreign exchange forward contracts mature within 12 months. The table below analyzes the derivative financial instruments sell contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 30 days	17,901.41	9,518.61
31 to 90 days	15,548.61	9,344.74
91 to 180 days	52,810.31	33,475.62
181 to 365 days	92,714.30	56,637.32
Total	**178,974.63**	**108,976.29**

The foreign exchange forward contracts maturity. The table below analyzes the derivative financial instruments buy contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 30 days	-	-
31 to 90 days	1,731.92	167.17
91 to 180 days	3,063.36	4,027.94
181 to 365 days	-	1,546.86
Total	**4,795.28**	**5,741.97**

Notes to the standalone financial statements for the year ended 31 March 2022

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (unhedged foreign currency exposure) as reported to management is as follows:

Particulars	Currency	31 March 2022		31 March 2021	
		Amount in foreign currency in lacs	Amount in ₹ lacs	Amount in foreign currency in lacs	Amount in ₹ lacs
Cash and cash equivalents	USD	0.24	18.10	0.19	13.92
Trade receivables	USD	1,183.46	89,611.21	825.10	60,667.74
	EUR	8.66	731.80	40.40	3,478.57
	GBP	5.02	498.71	5.32	536.45
	AED	0.02	0.31	0.06	1.18
Other non current assets	USD	0.54	40.81	0.28	20.53
	EUR	0.01	0.88	-	-
Other current assets	USD	1.75	132.79	0.51	37.46
	EUR	0.37	31.32	0.34	28.98
Other financial assets	USD	-	-	103.61	7,618.44
Borrowings	USD	91.66	6,940.85	301.61	22,176.82
Trade payables	USD	133.53	10,110.97	67.48	4,961.97
	EUR	1.15	96.84	2.59	223.26
	GBP	0.13	12.50	0.22	21.76
	CHF	0.02	1.65	0.02	1.58
	JPY	0.22	0.13	12.82	8.51
Other current liabilities	USD	26.91	2,037.32	4.74	348.22
	EUR	0.07	5.89	-	-
	GBP	0.00	0.33	0.21	21.37
Other financial liabilities	USD	0.80	60.60	0.06	4.32
	EUR	3.80	320.72	35.34	3,042.41
	JPY	-	-	3,655.66	2,425.30

The following exchange rates have been applied

Currency	Year end spot rate	
	31 March 2022	31 March 2021
USD/INR	75.72	73.53
EUR/INR	84.50	86.10
GBP/INR	99.26	100.93
AED/INR	20.61	20.02
CHF/INR	81.86	77.90
JPY/INR	0.62	0.66

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO and GBP against ₹ at 31 March 2022 and 31 March 2021 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (1% movement)	706.53	(706.53)	462.82	(462.82)
EURO (1% movement)	3.41	(3.41)	2.23	(2.23)
GBP (1% movement)	4.86	(4.86)	3.18	(3.18)
AED (1% movement)	0.00	(0.00)	0.00	(0.00)
CHF (1% movement)	0.02	(0.02)	0.01	(0.01)
JPY (1% movement)	0.00	(0.00)	0.00	(0.00)
31 March 2021				
USD (1% movement)	408.67	(408.67)	267.70	(267.70)
EURO (1% movement)	2.42	(2.42)	1.58	(1.58)
GBP (1% movement)	4.93	(4.93)	3.23	(3.23)
AED (1% movement)	0.01	(0.01)	0.01	(0.01)
CHF (1% movement)	0.02	(0.02)	0.01	(0.01)
JPY (1% movement)	24.34	(24.34)	15.94	(15.94)

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Company's borrowings comprises of term loan, working capital loan and bill discounting which carries variable rate of interest, which expose it to interest rate risk.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings (current and non current)	264,196.42	232,688.60
Total	**264,196.42**	**232,688.60**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	25 basis points Increase	25 basis points Decrease	25 basis points Increase	25 basis points Decrease
31 March 2022 Borrowings (current and non current)	(621.11)	621.11	(404.07)	404.07
31 March 2021 Borrowings (current and non current)	(599.45)	599.45	(389.98)	389.98

Note 33.3 : Capital management

The Company's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to uphold investor, creditor and market confidence and to sustain future development and growth of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Company's capital management, adjusted net debt is defined as aggregate of non-current borrowings, current borrowings and lease liabilities less cash and cash equivalents, deposits and current investments and total equity includes issued capital and all other equity reserves.

The Company's adjusted net debt equity ratio were as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings (current and non-current)	264,196.42	232,688.60
Less: Cash and cash equivalents including deposits and current investments	(18,146.07)	(14,232.82)
Adjusted net debt	**246,050.35**	**218,455.78**
Total equity	171,003.15	155,917.87
Net debt to equity ratio	**1.44**	**1.40**

The Company has also evaluated the impact of the COVID-19 on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

Note 34 : Related party disclosures

Note 34.1: Name of related parties and description of relationship

Description of relationship	Names of the related parties
Subsidiaries (including step subsidiaries)	Himatsingka Wovens Private Limited Himatsingka Holdings North America, Inc. Himatsingka America, Inc. Twill & Oxford LLC (under liquidation, refer note 38)
Key management personnel	Dinesh Kumar Himatsingka - Executive Chairman Shrikant Himatsingka - Managing Director & CEO K.P.Rangaraj - Chief Financial Officer Ashok Sharma- Company secretary (Upto 4 July 2020) Sridhar Muthukrishnan - Company secretary (w.e.f 4 July 2020) **Non-executive directors** Rajiv Khaitan - Independent Director Sangeeta Kulkarni - Independent Director Pradeep Bhargava-Independent Director Raja Venkataraman - Independent Director *V.Vasudevan - Non-Executive Director (w.e.f. May 29, 2021)
Transaction with entities over which key management personnel or relatives of such personnel are able to exercise significant influence	Khaitan & Co LLP Jacaranda Design LLC Bihar Mercantile Union Private Limited Orient Silk Private Limited Aditya Resources Limited Priya Resources Private Limited Awdhan Trading Co Ltd Himatsingka Foundation
Transaction with relatives of key management personnel	Mrs. Rajshree Himatsingka (Wife of D.K. Himatsingka) Ms. Priyadarshini Himatsignka (Daughter of D.K. Himatsingka) Mrs. Akanksha Himatsingka (Wife of Shrikant Himatsingka)

* Executive Director till May 29, 2021.

Notes to the standalone financial statements for the year ended 31 March 2022

Note 34.2 : Related party transactions during the year **(₹ Lacs)**

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products to	Himatsingka America, Inc. Twill & Oxford LLC	177,095.34 -	110,598.49 4.97
Interest income from	Himatsingka Holdings North America, Inc. Twill & Oxford LLC	- -	1,320.94 12.52
Rental expenses incurred	Himatsingka Wovens Private Limited	78.75	78.75
Expenses incurred on behalf of	Himatsingka America, Inc.	-	34.13
Reimbursement of expenses	Himatsingka America, Inc.	86.85	112.85
Marketing commission incurred	Himatsingka America, Inc.	473.68	580.70
Professional fees incurred	Jacaranda Design LLC Khaitan & Co LLP V Vasudevan	149.05 23.23 20.00	148.19 25.75 -
Inter corporate loans converted to equity	Himatsingka Holdings North America, Inc. (refer note 38)	-	25,258.17
Inter corporate loans written-off	Twill & Oxford LLC (refer note 38)	-	577.75
Interest receivable written-off	Twill & Oxford LLC (refer note 38)		
Trade receivable written-off	Twill & Oxford LLC (refer note 38)	-	169.89
Provision towards impairment of investment	Twill & Oxford LLC (refer note 38)	-	37.35
Investment made in	Himatsingka Holdings North America, Inc.	8,440.83	5,808.80
Guarantees given on behalf of subsidiaries	Himatsingka America, Inc. *	3,786.00	3,382.27
Guarantees taken from	Himatsingka Wovens Private Limited	2,064.87	-
Contribution in relation to CSR Expenditure	Himatsingka Foundation	401.09	72.00

* Guarantee amounting to ₹ 2,224.43 lacs was settled during the financial year 2021-22.

Note 34.3 : Balance receivable from and payable to related parties as at the balance sheet date: **(₹ Lacs)**

Particulars		As at 31 March 2022	As at 31 March 2021
Trade receivables	Himatsingka America, Inc.	74,408.15	51,903.85
Other payables	Jacaranda Design LLC	161.29	85.56
Interest receivable	Himatsingka Holdings North America, Inc.	-	7,618.44
Trade payables	Himatsingka Wovens Private Limited	394.41	324.13
Corporate guarantee given on behalf of	Himatsingka America, Inc.	21,655.92	27,242.39
Corporate guarantee taken from	Himatsingka Wovens Private Limited	2,064.87	8,726.90

Note 34.4 : Compensation and dividend payment to key managerial personnel **(₹ Lacs)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and compensation	736.26	612.26
Commission	300.00	40.00
Dividend paid	102.24	102.24
Sitting fees	29.50	23.26
	1,168.00	**777.76**

Note 34.5 Compensation and dividend payment to other related parties

i) Relatives of key management personnel

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and compensation	148.92	23.27
Dividend paid	30.68	30.68
Total	**179.60**	**53.95**

ii) Entities over which key management personnel or relatives of such personnel are able to exercise significant influence

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend paid		
Bihar Mercantile Union Private Limited	31.34	31.34
Orient Silk Private Limited	17.17	17.17
Aditya Resources Limited	16.49	16.49
Priya Resources Private Limited	15.61	15.61
Awdhan Trading Co Ltd	20.64	20.64
Total	**101.25**	**101.25**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are at arm's length basis and none of the balances are secured.

Note 35 : Details of non-current investments purchased and sold during the year under Section 186(4) of the Act:

Investments in equity instruments (₹ Lacs)

(a) Subsidiaries	Face value per unit	As at 1 April 2021	Purchased during the year#	Sold during the year	Adjustment on account of corporate guarantee	As at 31 March 2022
Himatsingka Wovens Private Limited	INR 100	1,683.98	-	-	-	1,683.98
		(1,750,000)*				(1,750,000)*
Himatsingka Holdings North America, Inc. (refer note 4A.1)	USD 10,000	85,379.08	8,440.83		73.23	93,893.14
		(12,149)*	(657)*			(12,806)*
Twill & Oxford LLC (refer note 38)	AED 100	37.35	-	-	-	37.35
		(1,470)*				(1,470)*

(₹ Lacs)

(a) Subsidiaries	Face value per unit	As at 1 April 2020	Purchased during the year#	Sold during the year	Adjustment on account of corporate guarantee	As at 31 March 2021
Himatsingka Wovens Private Limited	INR 100	1,683.98	-	-	-	1,683.98
		(1,750,000)*				(1,750,000)*
Himatsingka Holdings North America, Inc. (refer note 4A.1)	USD 10,000	54,198.75	31,066.97	-	113.36	85,379.08
		(9,269)*				(12,149)*
Twill & Oxford LLC (refer note 38)	AED 100	37.35	-	-	-	37.35
		(1,470)*				(1,470)*

* The amounts in parenthesis represents number of shares

Refer note 34

Notes to the standalone financial statements for the year ended 31 March 2022

Note 36.1: Details of loans given during the year under Section 186 (4) of the Act **(₹ Lacs)**

Name of borrower	Rate of Interest	Nature of relationship	As at 1 April 2020	Given during the year	Conversion/ written off during the year (refer note 5.1)#	Forex restatement	As at 31 March 2021
Unsecured							
Himatsingka Holdings North America, Inc.	8.50%	Subsidiary	25,749.22	-	(25,258.17)	(491.05)	-
Twill & Oxford LLC	8.50%	Subsidiary	590.65	-	(577.75)	(12.90)	-

Refer note 34

There are no loans given during the year ended 31 March 2022

Note 36.2: Details of guarantee given during the year under Section 186(4) of the Act **(₹ Lacs)**

Guarantee given on behalf of	Nature of relationship	As at 1 April 2021	Given during the year	Closed during the year	Forex restatement	As at 31 March 2022
Himatsingka America, Inc.(refer note i)	Subsidiary	23,860.12	-	7,684.07	482.35	16,658.40
Himatsingka America, Inc.(refer note ii)	Subsidiary	1,176.44	-	-	35.08	1,211.52
Himatsingka America, Inc.(refer note iii)	Subsidiary	2,205.83	3,786.00	2,224.43	18.60	3,786.00

(₹ Lacs)

Guarantee given on behalf of	Nature of relationship	As at 1 April 2020	Given during the year	Closed during the year	Forex restatement	As at 31 March 2021
Himatsingka America, Inc. (refer note i)	Subsidiary	24,036.02	-	-	(175.90)	23,860.12
Himatsingka America, Inc. (refer note ii)	Subsidiary	-	1,176.44	-	-	1,176.44
Himatsingka America, Inc. (refer note iii)	Subsidiary	-	2,205.83	-	-	2,205.83

Note i : Guarantee given to bank for securing the borrowings given to Himatsingka America, Inc.
Note ii : Corporate guarantee with respect to bond maintained with the Customs department of United states.
Note iii : Guarantee given to the vendor for purchase of goods by Himatsingka America, Inc.

Note 36.3 : The Company has given security to bankers for the loan taken by Himatsingka America, Inc (subsidiary) having an outstanding loan balance of ₹ 10,035.98 as at March 2022.(March 2021: ₹ 12,516.92) The nature of security is as follows:

'First paripassu charge on the moveable and immoveable properties located at Hassan and Doddaballapur plant including proposed project assets present and future.'

Note 37: Additional regulatory information

37.1 Analytical Ratios

Ratio	Numerator	Denominator	As at March 2022	As at March 2021	% Variance	Reason for Variance if more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	1.05	0.84	26%	Increase in inventories, trade receivables and subsidy receivable under various government schemes on account of revenue growth has resulted in improvement of the ratio.
Debt-equity ratio (in times)	Debt = Borrowings - Cash and cash equivalents - Bank balances other than cash and cash equivalents - Current investments	Total equity	1.44	1.40	3%	Not applicable.
Debt service coverage ratio (in times)	Earning for debt Service = Net profit after taxes + Depreciation and amortisation expense + Finance costs	Debt service (Finance Costs + Current maturities of non-current borrowings)	1.68	0.90	87%	Increase in profits and decrease in debt services has resulted in improvement of the ratio.
Return on equity ratio (%)	Net profit after tax	Average total equity	9.4%	3.5%	168%	Increase in profit during the current year has resulted in improvement of the ratio.
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	4.30	2.23	92%	Increase in revenue and cost of goods sold during the current year has resulted in improvement of the ratio.
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivables	3.17	2.67	19%	Not applicable.
Trade payables turnover ratio (in times)	Purchase + Other expenses	Average trade payables	4.51	2.74	64%	Increase in purchase and other expenses and average trade payables has resulted in improvment of ratio.
Net capital turnover ratio (in times)	Total revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	27.69	(5.82)	576%	Increase in revenue and net current assets in current year has resulted in improvement of the ratio.
Net profit ratio (in %)	Net profit after tax	Total revenue from opeartions	5%	3%	69%	Increase in profit during the current year has resulted in improvement of the ratio.
Return on capital employed (in %)	Earnings before interest, depreciation, taxes and amortisations	Capital employed (Total equity + Borrowings+Deferred tax liabilities)"	8.32%	5.69%	46%	Increase in profit during the current year has resulted in improvement of the ratio.
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	3.22%	7.80%	-59%	Decrease in mutual fund investment has resulted in decrease of the ratio.

Notes to the standalone financial statements for the year ended 31 March 2022

Note 37.2:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s)or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (FundingParty) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

37.3 Quarterly statements

The quarterly statement as submitted to the banks/financial institutions when compared to the books of accounts of the Company and the reasons for variances are as follows:

Name of the Bank	Quarter Ended	Particulars of security provided	Amount disclosed as per quarterly return/statement*	Amount as per Books of accounts*	Difference	Reason for variance
Canara Bank, The HSBC Ltd., Indusland Bank Ltd., Axis Bank, Kotak Bank, RBL Bank Ltd., DCB Bank Ltd., Yes Bank Ltd., Karur Vysya Bank Ltd., IDBI Bank Ltd., Bank of India, HDFC Bank Ltd., Bank of Maharashtra	03/22	Inventories, Trade receivables,Trade payables, Subsidy receivable under various government schemes, Interest subsidy receivable and Balances with government authorities	1,05,169.96	1,14,120.06	8,950.10	The differences are because of the statements filed with the lenders are based on financial statements which are prepared on provisional basis and also on account of exclusion of certain current assets and current liabilities in the statements filed with the lenders as per terms of sanction.
	12/21		88,744.21	1,01,799.67	13,055.46	
	09/21		88,187.99	98,690.38	10,502.39	
	06/21		83,015.35	83,679.17	663.82	

* The amount represents the net of certain items of current assets and current liabilites provided as a part of security to the bankers.

Note 38: During the previous year ended 31 March 2021, the Company has passed a board resolution dated 7 November 2020 and converted loan given to Himatsingka Holdings North America, Inc. (wholly owned subsidiary) aggregating ₹ 25,258.17 lacs into equity. Further, the Company as a measure to restructure its luxury retail business had closed its retail store in Dubai and accordingly had recorded the net asset of its subsidiary at its fair value. Consequently, the Company had provided for ₹ 747.64 lacs (includes loan of ₹ 577.75 lacs) in the standalone financial statements of the Company as these amounts were not considered recoverable. The company had also made a provision towards impairment of investment of ₹ 37.35 lacs.

Note 39 : Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 40 : Events after reporting period

On 30 May 2022, the Board of Directors recommended a final dividend of ₹ 0.50 per equity share to be paid to the shareholders for financial year 2021-22, which needs to be approved by shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 492.29 lakhs.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P. Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Independent Auditor's Report

To the Members of Himatsingka Seide Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Himatsingka Seide Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, including step subsidiary (Holding Company and its subsidiaries including step subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

REVENUE RECOGNITION

See note 2.3 and 22 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods in the ordinary course is measured at the fair value of the consideration received or receivable when the goods are delivered and control has passed to the buyer. Revenue from sale of goods is recognized at the point in time when control is transferred to customer. We identified revenue recognition as a key audit matter because the Group and its external stakeholders focus on revenue as a key performance indicator. This could result in a risk of revenues being overstated or recognised before control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain audit evidence: 1. We evaluated the revenue recognition accounting policies by comparing it with the applicable accounting standards. 2. We tested the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on certain transactions selected on a sample basis. 3. We performed substantive testing for the revenue transactions using statistical sampling and tested the supporting documents. 4. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year-end date to determine that the period in which the revenue has been recognized is appropriate. 5. We tested specific manual journal entries posted to revenue to identify any unusual items.

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

KEY AUDIT MATTERS (CONTINUED)

IMPAIRMENT OF GOODWILL

See note 2.11, 2.12 and 4 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Goodwill is a significant item on the balance sheet and the Group performs impairment testing for goodwill annually. In performing such impairment assessments, the Group compared the carrying value of the identifiable cash generating units ("CGUs") to which goodwill had been allocated to their 'value in use'. The computation is based on discounted cash flow method, to determine any impairment loss. Due to inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability which require significant judgement of the Group and therefore considered as a key audit matter.	Our audit procedures on testing for goodwill impairment includes the following: 1. We tested the design and operating effectiveness of the relevant key controls of the processes and internal control relating to impairment of non-financial assets including goodwill. 2. We evaluated the Group's identification of CGU's, the carrying value of CGU and the methodology followed by the Group for impairment assessment in compliance with the prevailing accounting standards. 3. We evaluated the key assumptions used in computing recoverable amount of CGU, such as, growth rates, profitability, discount rates, etc, with reference to our understanding of the business and historical trends. 4. We together with the valuation specialists tested key assumptions used by the Group along with their external experts in computing fair value of the CGU, such as weighted average cost of capital, growth rates and profitability. 5. We performed sensitivity analysis on key assumptions used by the Group in computing fair value of the CGU, to identify impairment charge, if any and when identified an appropriate recognition of the same in the income statement. 6. We evaluated the disclosure in the financial statements and assessed the completeness and mathematical accuracy.

RECOGNITION FOR GOVERNMENT GRANTS AND ASSESSMENT OF RECOVERABILITY

See note 2.7 and 7 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group is eligible for government grants under various schemes issued by the State and the Central Government. Each of these schemes requires fulfilment of conditions by the Group to be eligible to receive the grant. The Group also assesses the recoverability of these grants at each balance sheet date. Recognition of grants (including its classification as capital or revenue grant) requires a suitable assurance by the Group towards compliance with the conditions specified in the relevant schemes and that the grants will be received. The assessment of fulfilment of relevant conditions specified in the grant at the time of recognition involves judgement and assumptions. Further, the Group needs to assess at each balance sheet date the recoverability of the grant. We have identified recognition of grant and its recoverability as a key audit matter because of the complexities in establishing the compliance with the eligibility conditions of the grant and judgement involved towards the assessment of its recoverability.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We evaluated the government grant accounting policies by comparing with the applicable accounting standards. 2. We tested the design of key controls and operating effectiveness of relevant key controls with respect to recognition of grant (including its classification as capital and revenue grant) and assessment of recoverability of government grants. 3. We performed substantive testing, on a sample basis, towards recognition of grants in accordance with the relevant schemes, its classification as revenue or capital grant and verified the supporting documents. 4. We evaluated the Group's assessment of recoverability of respective grants based on ageing analysis and obtained explanations from management to assess the adequacy of the level of provision, if any, required for amounts considered recoverable.

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the consolidated financial statements and our Auditor's Report thereon. The other information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTERS

(a) The financial information of one subsidiary (incorporated outside India), whose financial information reflect total assets (before consolidation adjustments) of Rs. 8 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. Nil and net cash outflows (before consolidation adjustments) amounting to (Rs.0.08 lakhs) for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONTINUED)

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and our audit report on the statutory audit of a subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the financial information certified by the Management of a subsidiary as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer note 30 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its subsidiary company incorporated in India during the year ended 31 March 2022.

d) (i) The respective Managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in the note 38 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or its subsidiary company incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented to us , that, to the best of their knowledge and belief, as disclosed in note 38 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 42 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed the final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. The subsidiary company incorporated in India have neither declared nor paid any dividend during the year.

Independent Auditors' Report on the Audit of the Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022 (continued)

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. No remuneration has been paid to any director by the subsidiary company incorporated in India and hence the requirement of Section 197 of the Act is not applicable to the subsidiary company incorporated in India.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN:22223018AJXKJS1775

Place: Bengaluru
Date: 30 May 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of Himatsingka Seide Limited ('the Company') on the consolidated financial statements for the year ended 31 March 2022, we report that:

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020:

Name of the entities	CIN	Relationship	Clause number of the CARO report which is unfavourable
Himatsingka Seide Limited	L17112KA1985PLC006647	Holding company	Clause (ii)(b)

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN: 22223018AJXKJS1775

Place: Bengaluru
Date: 30 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of Himatsingka Seide Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Himatsingka Seide Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN:22223018AJXKJS1775

Place: Bengaluru
Date: 30 May 2022

Consolidated balance sheet

Himatsingka Seide Limited

(₹ Lacs)

Consolidated balance sheet	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	252,580.91	251,899.49
Capital work-in-progress	3.1	4,428.46	14,155.59
Goodwill	4	48,415.25	47,333.51
Intangible assets	3.3	6,484.72	7,875.49
Right-of-use assets	31	10,096.06	11,326.81
Financial assets			
(i) Investments	5A	21.55	21.95
(ii) Loans	6	56.07	56.35
(iii) Other financial assets	7	2,003.20	1,464.66
Deferred tax assets (net)	8B	1,649.58	1,649.58
Income tax assets (net)	8A	1,360.25	1,045.14
Other non-current assets	9	6,584.97	8,002.49
Total non-current assets		**333,681.02**	**344,831.06**
Current assets			
Inventories	10	113,124.76	79,547.82
Financial assets			
(i) Investments	5B	1,309.48	1,816.71
(ii) Trade receivables	11	39,945.72	33,150.60
(iii) Cash and cash equivalents	12A	11,548.96	6,719.34
(iv) Bank balances other than (iii) above	12B	5,183.07	5,902.38
(v) Loans	6	87.83	62.37
(vi) Other financial assets	7	19,532.49	15,775.11
Other current assets	9	32,055.63	14,909.21
Assets held for sale	13	7,894.31	8,043.91
Total current assets		**230,682.25**	**165,927.45**
Total Assets		**564,363.27**	**510,758.51**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	4,922.86	4,922.86
Other equity	15	142,048.49	126,599.34
Total equity		**146,971.35**	**131,522.20**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	158,916.55	137,397.90
(ii) Lease liabilities	31	10,138.66	11,309.59
(iii) Other financial liabilities	21	-	644.63
Provisions	17	1,997.05	1,946.20
Deferred tax liabilities (net)	8B	9,723.48	6,772.83
Other non-current liabilities	18	26,603.05	28,319.27
Total non-current liabilities		**207,378.79**	**186,390.42**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	121,624.77	109,252.70
(ii) Lease liabilities	31	1,489.57	1,355.01
(iii) Trade payables			
(a) Dues of micro and small enterprises	20	10,015.21	7,137.75
(b) Dues of creditors other than micro and small enterprises	20	60,810.40	53,821.40
(iv) Other financial liabilities	21	6,468.51	14,385.77
Other current liabilities	18	3,614.05	3,411.50
Provisions	17	1,448.28	1,026.07
Current tax liabilities (net)	8A	4,542.34	2,455.69
Total current liabilities		**210,013.13**	**192,845.89**
Total liabilities		**417,391.92**	**379,236.31**
Total equity and liabilities		**564,363.27**	**510,758.51**
Summary of significant accounting policies	2		

See accompanying notes to the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P.Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Place: Bengaluru
Date : 30 May 2022

Consolidated statement of profit and loss

Himatsingka Seide Limited (₹ Lacs)

Consolidated statement of profi and loss	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	22	318,395.02	225,831.66
Other income	23	1,961.95	1,421.06
Total income		**320,356.97**	**227,252.72**
Expenses			
Cost of raw materials and packing material consumed	24	175,271.29	76,619.86
Purchases of stock-in-trade	24	19,417.91	19,290.93
Changes in inventory of finished goods, work-in-progress and stock-in-trade	24	(30,275.89)	27,852.77
Employee benefits expense	25	32,718.71	25,933.47
Finance costs	26	18,117.08	17,719.97
Depreciation and amortisation expense	27	15,842.56	15,245.30
Other expenses	28	68,232.80	47,238.91
Total expenses		**299,324.46**	**229,901.21**
Profit / (Loss) before tax		**21,032.51**	**(2,648.49)**
Tax expense			
Current tax	33	4,290.39	1,515.67
Deferred tax	33	2,660.49	1,170.70
Total tax expense		**6,950.88**	**2,686.37**
Profit / (Loss) for the year		**14,081.63**	**(5,334.86)**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plan		23.12	(230.97)
Income tax effect on above		(8.08)	80.70
B. Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		1,714.98	(734.04)
Effective portion of gain on hedging instruments in cash flow hedge		199.76	3,432.15
Income tax effect on above		(69.80)	(1,199.33)
Other comprehensive income for the year, net of tax		**1,859.98**	**1,348.51**
Total comprehensive income / (loss) for the year		**15,941.61**	**(3,986.35)**
Earnings / (loss) per equity share (face value of ₹ 5 each)			
Basic and diluted (in ₹)	34	14.30	(5.42)
Summary of significant accounting policies	2		

See accompanying notes to the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P.Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Consolidated statement of changes in equity for the year ended 31 March 2022

Himatsingka Seide Limited

Particulars	(₹ Lacs)
A. Equity share capital	
Balance as at 1 April 2020	**4,922.86**
Changes in Equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the year	-
Balance as at 31 March 2021	**4,922.86**
Changes in Equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the year	-
Balance as at 31 March 2022	**4,922.86**

B. Other Equity (₹ Lacs)

Particulars	Reserves and surplus (Refer note 15)						Other comprehensive income (Refer Note 15)			"Total Other Equity"
	Capital reserve on consolidation	Capital reserve	Securities premium reserve	General reserve	Legal reserve	Retained earnings	Effective portion of cash flow hedge	Foreign currency translation reserve	Remeasurement of net defined benefit liability or asset	
Balance as at 1 April 2020	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.11**	**81,120.00**	**(1,743.11)**	**6,250.98**	**(192.57)**	**131,077.91**
Loss for the year	-	-	-	-	-	(5,334.86)	-	-	-	(5,334.86)
Other comprehensive (loss)/income for the year, net of tax	-	-	-	-	-	-	2,232.82	(734.04)	(150.27)	1,348.51
Payment of dividends	-	-	-	-	-	(492.29)	-	-	-	(492.29)
Foreign exchange differences	-	-	-	-	0.07	-	-	-	-	0.07
Balance as at 31 March 2021	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.18**	**75,292.85**	**489.71**	**5,516.94**	**(342.84)**	**126,599.34**
Balance as at 1 April 2021	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.18**	**75,292.85**	**489.71**	**5,516.94**	**(342.84)**	**126,599.34**
Profit for the year	-	-	-	-	-	14,081.63	-	-	-	14,081.63
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	129.96	1,714.98	15.04	1,859.98
Payment of dividends	-	-	-	-	-	(492.29)	-		-	(492.29)
Foreign exchange differences	-	-	-	-	(0.17)	-	-		-	(0.17)
Balance as at 31 March 2022	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.01**	**88,882.19**	**619.67**	**7,231.92**	**(327.80)**	**142,048.49**
Summary of significant accounting policies (refer note 2)										

See accompanying notes to the consolidated financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

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

Umang Banka
Partner
Membership number: 223018

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P.Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Place: Bengaluru
Date : 30 May 2022

Consolidated statement of cash flows

Himatsingka Seide Limited **(₹ Lacs)**

Consolidated statement of cash flows	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
(Loss)/ Profit for the year	14,081.63	(5,334.86)
Adjustments for:		
Finance costs	18,117.08	17,719.97
Interest income	(275.73)	(948.15)
Net gain on sale of current investments	(60.37)	(49.66)
Loss/ (gain) on current investments carried at fair value through profit or loss	40.46	(74.25)
Net loss on disposal of property, plant and equipment	146.38	38.02
Loss allowance on financial assets (net)	35.64	107.55
Amortized value of employee loans and security deposits	24.36	64.72
Depreciation and amortisation expense	15,842.56	15,245.30
Income on derecognition of leases	-	(265.55)
Net unrealised foreign exchange loss on non operating activities	107.09	94.03
Income tax expense	6,950.88	2,686.37
Operating cash flows before working capital changes	**55,009.98**	**29,283.49**
Changes in operating assets and liabilities		
Increase in trade receivables	(6,234.16)	(21,281.33)
(Inccrease) / decrease in inventories	(31,819.64)	27,625.26
Increase in other assets	(16,652.56)	(452.62)
Increase in trade and other payables	7,938.97	25,279.73
Increase in provisions	496.18	431.50
Increase / (decrease) in other liabilities	234.51	(909.46)
Cash generated from operations	**8,973.28**	**59,976.57**
Income taxes paid (net)	(2,187.96)	(2,337.30)
Net cash generated from operating activities (A)	**6,785.32**	**57,639.27**
Cash flows from investing activities		
Proceeds of sale of current investments (net)	700.46	1,228.98
Interest received	284.59	1,093.82
Acquisition of property, plant and equipment and intangible assets	(14,758.28)	(12,779.84)
Investment in fixed deposits	(42,137.71)	(20,414.76)
Proceeds from fixed deposits maturity	42,285.79	29,318.88
Net cash used in investing activities (B)	**(13,625.15)**	**(1,552.92)**
Cash flows from financing activities		
Proceeds from / (repayment of) current borrowings, net	20,920.41	(19,406.70)
Proceeds from non current borrowings	50,774.11	-
Repayment of non current borrowings	(38,680.18)	(19,420.96)
Dividends paid on equity shares	(492.29)	(492.29)
Payment of lease liabilities	(1,942.18)	(1,610.91)
Proceeds from government subsidies	5,549.92	5,627.00
Interest paid	(23,997.12)	(19,096.53)
Net cash generated/ (used in) financing activities (C)	**12,132.67**	**(54,400.39)**
Net increase in cash and cash equivalents (A+B+C)	**5,292.84**	**1,685.96**

Consolidated statement of cash flows

Himatsingka Seide Limited (₹ Lacs)

Consolidated statement of cash flows	Year ended 31 March 2022	Year ended 31 March 2021
Cash and cash equivalents at the beginning of the year	6,719.34	4,708.15
Effects of exchange rate changes on cash and cash equivalents	(463.22)	325.23
Cash and cash equivalents at the end of the year	**11,548.96**	**6,719.34**
Components of cash and cash equivalents (refer note 12A)		
Cash and cash equivalents comprise of		
Cash in hand	8.31	6.39
Balance with banks		
- in current accounts	9,149.65	6,712.95
- in deposit accounts (with original maturity of period of less than three months)	2,391.00	-
Total	**11,548.96**	**6,719.34**

Reconciliation between opening and closing balance sheet for financing activities

	Opening balance 1 April 2021	Cash flows	Non-cash movement	Closing balance 31 March 2022
Borrowings (including current maturities of non current borrowings)	163,071.09	12,093.93	769.28	175,934.30
Current borrowings (excluding current maturities of non current borrowings)	83,579.51	20,920.41	107.10	104,607.02
Interest accrued but not due	1,407.32	(23,997.12)	24,371.55	1,781.75
Total liabilities from financing activities	**248,057.92**	**9,017.22**	**25,247.93**	**282,323.07**
Reconciliation between opening and closing balance sheet for financing activities				
	Opening balance 1 April 2020	**Cash flows**	**Non-cash movement**	**Closing balance 31 March 2021**
Borrowings (including current maturities of non current borrowings)	178,188.70	(19,420.96)	4,303.35	163,071.09
Current borrowings (excluding current maturities of non current borrowings)	103,254.65	(19,406.70)	(268.44)	83,579.51
Interest accrued but not due	1,871.78	(19,096.53)	18,632.07	1,407.32
Total liabilities from financing activities	**283,315.13**	**(57,924.19)**	**22,666.98**	**248,057.92**

The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS 7) statement of cash flows

See accompanying notes to the consolidated financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P.Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary
Membership number: 9606

Place: Bengaluru
Date : 30 May 2022

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Corporate Information

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

The Group's consolidated Ind AS financial statements were approved by the Company's Board of Directors on 30 May 2022.

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

1. Statement of Compliance

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

1.1 Functional and presentation currency

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

1.2 Basis of preparation

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

a. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations.

b. Certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

1.3 Use of estimate, assumption and judgement

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

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

Assumptions, judgements and estimation

Information about assumptions, judgements and estimations that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is summarized below:

- Note 4 - Valuation of goodwill
- Note 5, 6, 7, 11 and 35 - Impairment of financial assets including government incentives
- Note 8 and 33 - Recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 17 – Measurement of defined benefit obligation: key actuarial assumptions;
- Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Impact of COVID-19 (Global pandemic):

The Group has been taking steps, proactively, to protect the health of employees and the working environment from the spread of Covid-19. The Group's operations and revenue during year ended

31 March 2022 were marginally impacted due to the pandemic. The Group has assessed, and is continuously reviewing, its liquidity, future cash flow projections and the probability of occurrence of the forecasted transactions underlying the hedges based on orders in hand and current indicators of future economic conditions. The consolidated financial statements for the year ended 31 March 2022 takes into consideration such assessment of the possible effects of the Covid 19 and the recoverability of the carrying value of its assets. However. the impact of pandemic in the subsequent period may be different from the estimations used at the time of finalising these consolidated financial statements.

1.4 Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of consolidation

The Group consolidates all entities which are controlled by it. Subsidiaries are the entities controlled by the Group. The Consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries (including step subsidiaries) as disclosed in Note 41.

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

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

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

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

2.2 Business Combination

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

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

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

2.3 Revenue Recognition

Sale of goods:

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

The Group derives its revenue primarily from sale of products.

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

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

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

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

Scrap sales:

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

Contract balances:

Trade receivables

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

2.4 Other income

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

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

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

2.5 Leases

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

Group as a lessee

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

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

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

The Group applies the short term lease recognition exemption to all assets that have a lease term of 12 months or less from the commencement date. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Further, leases for which the underlying asset is of low value has been recognized immediately in the Statement of Profit and Loss.

2.6 Borrowing cost

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

2.7 Government grants

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

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

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

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

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

2.8 Employee benefits

a. Defined benefit plans

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

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

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

The Company's gratuity scheme is administered through a third party trust and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

b. Short term employee benefits

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

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

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

c. Compensated absences

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

d. Defined contribution plan

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

2.9 Taxation

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

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

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

Deferred tax is not recognised for:

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

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

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

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

2.10 Property, plant and equipment

a. Recognition and measurement:

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

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

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

Assets in the course of construction are capitalised as capital work-in-progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

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

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

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

b. Depreciation:

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

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

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

Class of assets	Years
Buildings	10 – 60 years
Plant and machinery*	8 - 40 years
Furniture and fixtures	10 years
Office equipment	3-6 years
Books and catalogues*	4 years
Vehicles	6 -10 years
Leasehold improvements	shorter of the lease term and their useful lives

Land is not depreciated.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / losses.

2.11 Goodwill and Other Intangible Assets

a) Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired ("net assets") exceeds the cost of business acquisition, the excess of net assets over cost of business acquisition is recognised immediately in capital reserve.

For measurement of goodwill that arises on a business combination (refer note 4). Subsequent measurement is at cost less any accumulated impairment losses.

b Other intangible assets

i. Recognition and measurement

Acquired intangible assets

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

Internally generated intangible assets

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the consolidated statement of profit and loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if it is probable that the future economic benefits that are attributable to the assets will flow to the Group.

ii. Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognized in profit and loss as and when incurred.

iii. Amortisation

The Group amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles (including internally generated intangible assets) are as follows:

Class of asset	Useful life
Computer software	4 - 10 years
Technical know-how	10 years
Brands and Licenses	3-10 years

The residual values, useful lives and method of amortisation of intangible assets are reviewed at each financial year end and adjusted if appropriate.

iv. Derecognition of intangible assets

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

2.12 Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets/ CGU are considered to be impaired, the impairment to be recognised in the Statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset/ CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.13 Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

The method of determination of cost is as follows:

- Raw materials – on a weighted average cost basis
- Stores and spares – on a weighted average cost basis
- Work-in-progress – includes costs of conversion
- Finished goods – includes costs of conversion
- Traded goods – at purchase cost
- Goods in transit – at purchase cost

The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.14 Foreign Currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.15 Provisions and contingent liabilities

Provisions

A provision is recognised if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. Contingent liabilities are disclosed by way of note to the consolidated Ind AS financial statements.

2.16 Financial Instruments

A. RECOGNITION AND INITIAL MEASUREMENT

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

B. CLASSIFICATION AND SUBSEQUENT MEASUREMENT

i. Financial assets

On initial recognition, a financial asset is classified and measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - debt investment;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period there are changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in the Statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of profit and loss. Any gain or loss on derecognition is recognised in the Statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the Statement of profit and loss.

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an asset is transferred, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

ii. Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities at fair value through profit or loss include and financial liabilities designated upon initial recognition as at fair value through profit or loss and financial liabilities held for trading. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/

losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the statement of profit and loss.

The Group designates their derivatives as hedge instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the statement of profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

2.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Group for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/loss before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.21 Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

2.22 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 3.1 : Property plant and equipment

Tangible Assets

(₹ Lacs)

Particulars	Land (refer note 3.1.3)	Buildings	Plant and Equipment	Furniture and Fixtures	"Leasehold Improvements"	Office Equipments	Vehicles	Books & Catalogues	Total	Capital Work in Progress
Cost:										
Balance as at 1 April 2020	**28,484.23**	**68,255.66**	**204,242.38**	**13,067.20**	**3,254.80**	**7,074.60**	**185.27**	**544.01**	**325,108.14**	**17,267.01**
Additions	-	3,054.30	18,727.17	39.19	-	118.48	-	-	21,939.14	16,685.30
Disposals	-	-	(116.03)	(1.37)	-	(17.47)	-	-	(134.87)	-
Transfers	-	-	-	-	-	-	-	-	-	(19,795.65)
Translation adjustments	-	125.77	114.74	149.78	76.92	123.24	0.10	-	590.55	(1.07)
Balance as at 31 March 2021	**28,484.23**	**71,435.73**	**222,968.26**	**13,254.80**	**3,331.72**	**7,298.85**	**185.37**	**544.01**	**347,502.96**	**14,155.59**
Balance as at 1 April 2021	**28,484.23**	**71,435.73**	**222,968.26**	**13,254.80**	**3,331.72**	**7,298.85**	**185.37**	**544.01**	**347,502.96**	**14,155.59**
Additions	416.11	215.13	14,365.72	45.31	-	165.72	-	-	15,207.99	5,579.24
Disposals	-	(178.02)	(330.30)	(329.57)	-	(70.24)	-	-	(908.13)	-
Transfers									-	(15,306.37)
Translation adjustments	-	-	53.35	249.96	81.64	37.79	(0.03)	-	422.71	
Balance as at 31 March 2022	**28,900.34**	**71,472.84**	**237,057.03**	**13,220.50**	**3,413.36**	**7,432.12**	**185.34**	**544.01**	**362,225.53**	**4,428.46**
Balance as at 1 April 2020	**-**	**(6,009.72)**	**(61,798.78)**	**(6,487.32)**	**(2,116.49)**	**(5,751.43)**	**(112.38)**	**(292.60)**	**(82,568.72)**	**-**
Depreciation charge for the year	-	(2,653.98)	(8,830.34)	(1,352.45)	(201.61)	(615.52)	(9.81)	(97.41)	(13,761.12)	-
Disposals	-	-	76.54	1.27	-	17.08	-	-	94.89	-
Translation adjustments	-	112.53	(22.66)	293.98	135.21	112.43	(0.01)	-	631.48	-
Balance as at 31 March 2021	**-**	**(8,551.17)**	**(70,575.24)**	**(7,544.52)**	**(2,182.89)**	**(6,237.44)**	**(122.20)**	**(390.01)**	**(95,603.47)**	**-**
Balance as at 1 April 2021	**-**	**(8,551.17)**	**(70,575.24)**	**(7,544.52)**	**(2,182.89)**	**(6,237.44)**	**(122.20)**	**(390.01)**	**(95,603.47)**	**-**
Depreciation charge for the year		(2,627.09)	(10,493.87)	(1,149.52)	(159.60)	(54.56)	(4.60)	(97.41)	(14,586.65)	-
Disposals		178.02	181.04	329.57		70.20			758.83	-
Translation adjustments		-	10.39	(159.87)	(39.19)	(24.69)	0.03	-	(213.33)	-
Balance as at 31 March 2022	**-**	**(11,000.24)**	**(80,877.68)**	**(8,524.34)**	**(2,381.68)**	**(6,246.49)**	**(126.77)**	**(487.42)**	**(109,644.62)**	**-**
Net carrying amount:										
As at 31 March 2022	**28,900.34**	**60,472.60**	**156,179.35**	**4,696.16**	**1,031.68**	**1,185.63**	**58.57**	**56.59**	**252,580.91**	**4,428.46**
As at 31 March 2021	**28,484.23**	**62,884.55**	**152,393.02**	**5,710.28**	**1,148.83**	**1,061.41**	**63.17**	**154.00**	**251,899.49**	**14,155.59**

Note 3.1.1 :

Security
Refer note 16.1 for information on property, plant and equipment pledged as security by the Company.

Note 3.1.2 :
Translation adjustments include exchange fluctuation arising on account of conversion of fixed assets from foreign currency to reporting currency.

Note 3.1.3
The Company has entered into lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement amounting to ₹ 6,585.19 lacs.

Note 3.1.4
The above assets other than to the extent mentioned in note 3.1.3 above are owned by the Company.

Note 3.2 : Capital work-in-progress

a) Capital work-in-progress ageing : (₹ Lacs)

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,638.65	544.43	1,124.32	121.06	4,428.46
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2022	**2,638.65**	**544.43**	**1,124.32**	**121.06**	**4,428.46**
Projects in progress	12,398.38	1,568.73	60.72	127.76	14,155.59
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2021	**12,398.38**	**1,568.73**	**60.72**	**127.76**	**14,155.59**

There are no projects where the completion is overdue or cost has exceeded when compared to its original plan.

Note 3.3 : Other intangible assets

(₹ Lacs)

Particulars	Computer Software	Technical Know-How	Brands & Licenses	Total
Cost:				
Balance as at 1 April 2020	**8,339.75**	**347.99**	**33,617.55**	**42,305.29**
Additions	117.17	-	39.60	156.77
Disposals	-	-	-	-
Translation adjustments	(374.56)	-	(860.11)	(1,234.67)
Balance as at 31 March 2021	**8,082.36**	**347.99**	**32,797.04**	**41,227.39**
Balance as at 1 April 2021	**8,082.36**	**347.99**	**32,797.04**	**41,227.39**
Additions	98.38	-	-	98.38
Disposals	(229.40)	-	-	(229.40)
Translation adjustments	102.17	-	175.99	278.16
Balance as at 31 March 2022	**8,053.51**	**347.99**	**32,973.03**	**41,374.53**
Accumulated amortisation:				
Balance as at 1 April 2020	**(3,179.05)**	**(97.26)**	**(27,927.01)**	**(31,203.32)**
Amortisation	(426.55)	(32.42)	(1,313.96)	(1,772.93)
Disposals	-	-	-	-
Translation adjustments	(70.19)	-	(305.46)	(375.65)
Balance as at 31 March 2021	**(3,675.79)**	**(129.68)**	**(29,546.43)**	**(33,351.90)**
Balance as at 1 April 2021	**(3,675.79)**	**(129.68)**	**(29,546.43)**	**(33,351.90)**
Amortisation	(356.33)	(32.42)	(1,310.79)	(1,699.54)
Disposals	229.40	-	-	229.40
Translation adjustments	(39.15)	-	(28.62)	(67.77)
Balance as at 31 March 2022	**(3,841.87)**	**(162.10)**	**(30,885.84)**	**(34,889.81)**
Net carrying amount:				
Carrying value as at 31 March 2022	**4,211.64**	**185.89**	**2,087.19**	**6,484.72**
Carrying value as at 31 March 2021	**4,406.57**	**218.31**	**3,250.61**	**7,875.49**

Note 3.3.1 :

Translation adjustments include exchange fluctuation arising on account of conversion of fixed assets from foreign currency to reporting currency.

Note 4 : Goodwill **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	47,333.51	48,195.40
Effect of foreign currency exchange differences	1,081.74	(861.89)
Balance at end of year	**48,415.25**	**47,333.51**

i) Impairment tests for goodwill

Goodwill acquired through business combination pertains to the Home Textile Segment of its subsidiary in USA.

Particulars	As at 31 March 2022	As at 31 March 2021
Home Textile Segment	48,415.25	47,333.51

(ii) Significant estimate: Key assumptions used for value-in-use calculations

The group tests impairment of goodwill on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations on a discounted cash flow method which require the use of assumptions. Management prepare forecast for a period of seven years and applies perpetuity growth rate of 3% from 7th year onwards. The calculations use cash flow projections calculated using the estimated growth and pre-tax discount rates stated below.

The following table sets out the key assumptions for the CGU that have significant goodwill allocated to them:

Assumptions	As at 31 March 2022	As at 31 March 2021
Sales Growth (% annual growth rate)	4% - 9%	4%-7%
EBITDA (%)	4% - 7%	5% - 7%
Pre-tax discount rate (%)	9.63%	9.57%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used for determining values
Sales Growth	Average annual growth rate over the forecasted period; based on past performance and management's expectations for the future.
EBITDA (%)	Based on past performance and management's expectations for the future.
Pre-tax discount rate (%)	Reflect specific risks relating to the relevant segment and the country in which it operates.

Note 5 : Investments **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Note 5A : Non-current investments		
Unquoted		
Investments carried at fair value through profit and loss		
Investments in equity instruments	21.55	21.95
Total	**21.55**	**21.95**

Note 5A.1: Details of investments **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in equity instruments		
Industria e Universita S.r.l. (No. of shares : 13,005,000) (As at 31 March 2021: 13,005,000)	21.55	21.95
Applied DNA Sciences, Inc. (No. of shares: 5,34,361) (As at 31 March 2021: 5,34,361)	664.21	664.21
	685.76	686.16
Less: Provision towards impairment of investments	(664.21)	(664.21)
Total	**21.55**	**21.95**
Aggregate value of unquoted investments	21.55	21.95
Aggregate amount of impairment in value of investments	664.21	664.21

Note 5B: Current investments (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
5B.1 Investments in mutual funds (Quoted)		
DSP Short term fund - direct plan growth plan (No. of units: Nil (As at 31 March 2021: 7,14,343.53))	-	277.49
Axis Treasury Advantage Fund direct growth (No. of units: Nil (As at 31 March 2021: 16,904.74))	-	419.67
IDFC Corporate bond fund - direct plan growth plan (No. of units: 21,50,611.31 (As at 31 March 2021: 21,50,611.31))	344.96	328.35
Total (A)	**344.96**	**1,025.51**
Aggregate carrying amount of quoted investments	344.96	1,025.51
Aggregate market value of quoted investments	344.96	1,025.51

Particulars	As at 31 March 2022	As at 31 March 2021
5B.2 Investments in equity instruments (unquoted)		
Atria Wind Power (Chitradurga) Private Limited	606.51	693.55
Equity shares of INR 251 each fully paid up		
[No. of shares: 2,41,637 (As at 31 March 2021 : 2,76,317)]		
Atria Wind Power (Basavana Bagewadi) Private Limited	358.01	97.65
Equity shares of INR 193.28 each fully paid up		
[No. of shares: 1,85,226 (As at 31 March 2021 : 50,521)]		
Total (B)	**964.52**	**791.20**
Total (A+B)	**1,309.48**	**1,816.71**

Note 6 : Loans (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Loans to employees	56.07	56.35
Total	**56.07**	**56.35**
Current		
Unsecured, considered good		
Loans to employees	87.83	62.37
Total	**87.83**	**62.37**

Note 7 : Other financial assets (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Fixed deposits with banks with maturity period more than twelve months*	562.59	6.52
Electricity deposits	806.39	806.39
Other deposit	634.22	651.75
Total	**2,003.20**	**1,464.66**
Current		
Unsecured, considered good		
Interest subsidy receivable	3,126.30	1,978.85
Subsidy receivable under various government schemes	14,444.89	12,245.74
Derivative asset (refer Note 35.2 (iii) (a))	1,382.97	920.80
Interest receivable	263.35	297.29
Security deposit	282.25	267.32
Other receivable	32.73	65.11
Total	**19,532.49**	**15,775.11**

* Includes restricted deposits of ₹ 556.07 lacs placed as a lien.

Note 8 : Tax assets and liabilities

Note 8(A) : Income tax assets and liabilities (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current income tax assets		
Advance tax and taxes deducted at source	22,535.25	20,622.53
Less: Provisions related to the above	(21,175.00)	(19,577.39)
Income tax assets (net)	**1,360.25**	**1,045.14**
Current tax liabilities		
Income tax provisions	17,073.98	14,729.05
Less: Advance tax and taxes deducted at source related to above	(12,531.64)	(12,273.36)
Current tax liabilities (net)	**4,542.34**	**2,455.69**

Note 8 (B) : Deferred tax asset /liability*

The following is the analysis of the net deferred tax asset/liability position as presented in the financial statements

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
Property, plant and equipments and intangible assets	30,492.31	27,790.23
Cash flow hedge	332.62	262.82
Total deferred tax liabilities (A)	**30,824.93**	**28,053.05**
Deferred tax assets		
Provision for gratuity and compensated absences	1,202.06	1,205.95
Leases	161.79	161.79
Minimum alternate tax credit entitlement	17,860.51	18,977.11
Others	3,526.67	2,584.95
Total deferred tax assets (B)	**22,751.03**	**22,929.80**
Net deferred tax liability (A - B)	**8,073.90**	**5,123.25**
*refer note 33		
Deferred tax presentation in balance sheet comprises of:		
Deferred tax liabilities, (net) (C)	9,723.48	6,772.83
Deferred tax assets, (net) (D)	1,649.58	1,649.58
Net deferred tax liability (C - D)	**8,073.90**	**5,123.25**

Note 9 : Other assets (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances	1,271.65	536.52
Contract acquisition costs	5,253.76	7,411.97
Others	59.56	54.00
Total	**6,584.97**	**8,002.49**
Current		
Advances to suppliers	1,142.50	1,128.08
Balances with government authorities (other than income taxes)	6,496.63	6,385.31
Subsidy receivable under various government schemes	18,798.96	2,546.79
Prepaid expenses	3,355.37	2,189.77
Contract acquisition costs	2,232.26	2,648.56
Others	29.91	10.70
Total	**32,055.63**	**14,909.21**

Note 10: Inventories (valued at lower of cost and net realizable value) (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and packing materials	9,614.19	4,915.77
Work-in-progress	21,388.28	15,475.89
Finished goods*	75,146.29	48,102.52
Traded goods	4,418.61	7,098.88
Stores and spares	2,557.39	3,954.76
Total	**113,124.76**	**79,547.82**
Included above, goods-in-transit:		
Raw materials	3,209.63	1,197.67
Finished goods	38.62	-
Traded goods	921.18	3,629.44
Total	**4,169.43**	**4,827.11**

* Net of provision for obsolensce and net realisable value aggregating to ₹ 43,97.66 lacs (31 March 2021: ₹ 3,518.39 lacs)

Note 11 : Trade receivables (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	42,280.05	35,490.66
Less: Expected credit loss	(2,334.33)	(2,340.06)
Net Trade receivables	**39,945.72**	**33,150.60**

All trade receivables are 'current'.

The Group's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in note 35.

Note 11.1: Bill discounting:

At the end of the reporting period, the carrying amount of the trade receivables that have been discounted (with recourse) but have not been derecognized amounted to ₹ 33,579.88 lacs (31 March 2021: ₹35,228.12 lacs) and associated liability has been disclosed as bill discounting (refer note 19).

Note 11.2 :Expected credit loss assessment for trade recievables as at 31 March 2022 and 31 March 2021 are as follows:

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows -

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	2,340.06	(2,161.89)
Change in allowance for expected credit loss and credit impairment (net of reversals)	(16.13)	(107.55)
Foreign exchange differences	10.40	(70.62)
Balance at end of the year	**(2,334.33)**	**(2,340.06)**

Note 11.3: Trade receivables ageing schedule

As at 31 March 2022 **(₹ Lacs)**

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	
Undisputed trade receivables - considered good	32,294.75	8,865.68	374.92	246.95	104.80	168.76	42,055.86
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	224.19	224.19
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**32,294.75**	**8,865.68**	**374.92**	**246.95**	**104.80**	**392.95**	**42,280.05**
Less: Allowance for expected credit loss							(2,334.33)
Net Trade receivables							**39,945.72**

As at March 2021 **(₹ Lacs)**

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 year	More than 3 years	
Undisputed trade receivables - considered good	30,782.94	3,646.17	449.13	193.06	138.29	56.88	35,266.47
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	224.19	224.19
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**30,782.94**	**3,646.17**	**449.13**	**193.06**	**138.29**	**281.07**	**35,490.66**
Less: Allowance for expected credit loss							(2,340.06)
Net Trade receivables							**33,150.60**

Note 12A : Cash and cash equivalents **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents consists of		
Cash on hand	8.31	6.39
Balance with banks		
- in current accounts	9,149.65	6,712.95
- in deposit accounts (with original maturity period of less than three months)	2,391.00	-
Total	**11,548.96**	**6,719.34**

Note 12B : Other bank balances **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Other bank balances consists of		
Other bank balances (refer note 12.1)	84.75	99.81
In deposit account (with original maturity more than three months but less than twelve months)	5,098.32	5,802.57
Total	**5,183.07**	**5,902.38**

Note 12.1 : Other bank balances represent earmarked balances in respect of unpaid dividends.

Note 13: Assets classified as held for sale **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Buildings (refer note 13.1)	7,894.31	8,043.91
Total	**7,894.31**	**8,043.91**

Note 13.1: Represents buildings at a subsidiary which is closed as a part of restructuring. No impairment loss was recognised on reclassification of the building as held for sale as at 31 March 2022 as the Group expect that the fair value less costs to sell is higher than the carrying amount.

Note 14 : Equity share capital **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
13,40,00,000 equity shares (31 March 2021: 13,40,00,000 equity shares) of par value of ₹ 5 each	6,700.00	6,700.00
Issued		
9,84,96,160 equity shares (31 March 2021: 9,84,96,160 equity shares) of par value of ₹ 5 each	4,924.81	4,924.81
Subscribed and fully paid-up		
9,84,57,160 equity shares (31 March 2021: 9,84,57,160 equity shares) of par value of ₹ 5 each	4,922.86	4,922.86

Reconciliation of shares outstanding at the beginning and at the end of the reporting period **(₹ Lacs)**

Particulars	31 March 2022		31 March 2021	
	Number of shares	Amount (₹ lacs)	Number of shares	Amount (₹ lacs)
At the commencement of the year	98,457,160	4,922.86	98,457,160	4,922.86
At the end of the year	98,457,160	4,922.86	98,457,160	4,922.86

Details of the rights, preferences and restrictions attaching to each class of shares :

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceeding the balance sheet date nor has issued shares for consideration other than cash.

Details of shareholders holding more than 5% of equity shares in the Company

Particulars	31 March 2022		31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Dinesh Kumar Himatsingka	11,902,000	12.09%	11,902,000	12.09%
Shrikant Himatsingka	8,546,964	8.68%	8,546,964	8.68%
Bihar Mercantile Union Limited	6,268,234	6.37%	6,268,234	6.37%
Rajshree Himatsingka	5,897,260	5.99%	5,897,260	5.99%
Templeton India Equity Income Fund	-	-	7,455,121	7.47%

Details of Shareholding of Promoters in the Company

Promoters name	31 March 2022			31 March 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dinesh Kumar Himatsingka	11,902,000	12.09%	0.00%	11,902,000	12.09%	-0.07%
Shrikant Himatsingka	8,546,964	8.68%	0.00%	8,546,964	8.68%	0.07%
Bihar Mercantile Union Private Limited	6,268,234	6.37%	0.00%	6,268,234	6.37%	-1.68%
Rajshree Himatsingka	5,897,260	5.99%	0.00%	5,897,260	5.99%	0.00%
Awdhan Trading Company Limited	4,128,736	4.19%	0.00%	4,128,736	4.19%	0.36%
Orient Silk Private Limited	3,434,768	3.49%	0.00%	3,434,768	3.49%	0.72%
Aditya Resources Limited	3,297,470	3.35%	0.00%	3,297,470	3.35%	0.31%
Priya Resources Private Limited	3,121,360	3.17%	0.00%	3,121,360	3.17%	0.30%
Priyadarshini Himatsingka	237,800	0.24%	0.00%	237,800	0.24%	0.00%

Note 15 : Other equity **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital reserve (refer note 15.1)	687.62	687.62
Securities premium account (refer note 15.2)	27,675.71	27,675.71
General reserve (refer note 15.3)	17,270.17	17,270.17
Legal reserve (refer note 15.4)	9.01	9.18
Retained earnings (refer note 15.5)	88,882.19	75,292.85
Reserves and Surplus	**134,524.70**	**120,935.53**
Effective portion of cash flow hedge (refer note 15.6)	619.67	489.71
Foreign currency translation reserve	7,231.92	5,516.94
Remeasurement of net defined benefit liability or asset	(327.80)	(342.84)
Other comprehensive income	**7,523.79**	**5,663.81**
Total	**142,048.49**	**126,599.34**

Notes:

15.1 Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserves. The reserve is not available for distribution.

15.2 Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve can be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

15.3 This represents appropriation of profit by the Company. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

15.4 Legal reserve represents the reserve as mandated by the Italian Civil Code. The same will be utilized for the purposes as permitted by the Italian Civil Code.

15.5 Retained earnings comprises of the Company's undistributed earnings after taxes. The amount can be distributed by the Company as dividends to its equity shareholders.

15.6 The Effective portion of cash flow hedge represents effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of profit and loss when the hedged items (Sales of goods) affects profit or loss.

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Legal reserve		
Opening balance	9.18	9.11
Add/(Less): Foreign exchange difference	(0.17)	0.07
Total	**9.01**	**9.18**
Retained earnings		
Opening balance	75,292.85	81,120.00
Add: Profit for the year	14,081.63	(5,334.86)
Less: Payment of dividends (refer note 42)	(492.29)	(492.29)
Total	**88,882.19**	**75,292.85**
Effective portion of cash flow hedge		
Opening balance	489.71	(1,743.11)
Effective portion of gain arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges recognised in Hedging Reserve	2,292.05	3,831.89
Cumulative (gain)/loss reclassified to profit or loss	(2,092.29)	(399.74)
Income tax related to net gains recognised in other comprehensive income	(69.80)	(1,199.33)
Total	**619.67**	**489.71**
Foreign currency translation reserve		
Opening balance	5,516.94	6,250.98
Other comprehensive income/(loss) for the year, net of tax	1,714.98	(734.04)
Total	**7,231.92**	**5,516.94**
Remeasurement of net defined benefit liability or asset		
Opening balance	(342.84)	(192.57)
Other comprehensive income/(loss) for the year, net of tax	15.04	(150.27)
Total	**(327.80)**	**(342.84)**

Note 16: Non-current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans: (refer note 16.1)		
Term loans		
From banks	67,228.37	77,779.01
From financial institutions	91,688.18	59,618.89
Total	**158,916.55**	**137,397.90**

Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
i) Term loans from bank(Secured)						
Loan 1	-		-	3,549.85	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	20 equal quarterly installments commencing on 31 December 2016. The loan was fully repaid during the year ended 31 March 2022.
Loan 2	13,320.23	1,825.64	15,104.94	1,217.09	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date. The outstanding term as of 31 March 2022 was 28 installments.
Loan 3	-	755.75	3,795.60	3,345.50	Exclusive charge on properties owned by the Company and its subsidiary Himatsingka Wovens Private Limited.	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%). The outstanding term as of 31 March 2022 was 1 installment.
Loan 4	10,638.98	615.32	11,262.18	615.32	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2022 was 31 installments.
Loan 5	10,692.74	651.60	11,352.17	651.60	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2022 was 31 installments.
Loan 6	12,663.34	772.00	13,444.61	772.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2022 was 31 installments.
Loan 7	-	-	2,761.95	2,000.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant including proposed project assets present and future.	Loan shall be repaid in 16 quarterly installments commencing from 31 March 2019. The loan was fully repaid during the year ended 31 March 2022.
Loan 8	6,185.10	-	11,246.06	3,789.67	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%). The outstanding term as of 31 March 2022 was 1 installment.
Loan 9	6,656.19	-	8,117.98	1,000.00	Subservient charge on all present and future moveable fixed assets.	28 quarterly installments payable at the end of each quarter starting from 3 months from date of 1st disbursement. The outstanding term as of 31 March 2022 was 14 installments.
Loan 10	65.69	37.34	97.97	104.83	Secured by the assets purchased by Himatsingka America Inc through respective borrowing proceeds.	a) USD 1.5 Mio is repayable in 39 monthly installments. The loan is fully repaid during the year ended 31 March 2022. b) USD 55K is repayable in 48 monthly installments. The outstanding term as of 31 March 2022 was 16 installment. c) USD 1.46 Mio is repayable in 48 monthly installmets commencing from April 2021. The outstanding term as of 31 March 2022 was 36 installment
Loan 11	502.42	74.50	595.55	217.81	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 38 quarterly installments commencing from 30 September 2020. The outstanding term as of 31 March 2022 was 31 installments.
Loan 12	4,794.73	125.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant.	Loan shall be repaid in 28 quaterly installments commencing from post completion of moratorium period of 12 months. The outstanding term as of 31 March 2022 was 28 installments.
Loan 13	1,708.95	200.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 24 quaterly installments commencing from post completion of initial moratorium period of 12 months. The outstanding term as of 31 March 2022 was 24 installments.
Total	**67,228.37**	**5,057.15**	**77,779.01**	**17,263.67**		

The rate of interest on the above term loans is in the range of 4.03% to 10.83% (Previous Year: 3.71% to 11.26%)

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
ii) Term loan from financial institution (Secured)						
Loan 1	314.69	254.61	566.93	254.61	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of 31 March 2022 was 9 installments.
Loan 2	700.46	363.20	1,057.20	363.20	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of 31 March 2022 was 12 installments.
Loan 3	11,882.01	1,878.37	13,734.92	1,643.57	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of 31 March 2022 was 23 installments .
Loan 4	24,500.35	2,904.72	27,364.89	2,323.78	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date which ever is earlier. The outstanding term as of 31 March 2022 was 28 installments.
Loan 5	5,612.88	328.88	6,505.37	375.43	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant including proposed project assets present and future.	Loan shall be repaid in 40 quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The outstanding term as of 31 March 2022 was 28 installments.
Loan 6	7,158.62	2,877.36	9,722.87	2,794.05	First paripassu charge on the moveable and immoveable properties located at Hassan and Doddaballapur plant including porposed project assets present and future. Further corporate guarantee is provided by Himatsingka Seide Limited for this loan.	Loan shall be repaid in 20 quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The outstanding term as of 31 March 2022 was 14 installments.
Loan 7	244.92	244.93	68.15	477.04	First ranking pledge on the investment made by the Company in Atria Wind Power Limited.	Repayable in next 2 years.
Loan 8	127.46	62.95	190.41	56.98	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 monthly installments commencing from November 2020. The outstanding term as of 31 March 2022 was 31 installments.
Loan 9	147.74	63.35	211.10	57.35	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 monthly installments commencing from February 2021. The outstanding term as of 31 March 2022 was 34 installments.
Loan 10	126.90	70.16	197.05	63.51	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 48 monthly installments commencing from September 2020. The outstanding term as of 31 March 2022 was 29 installments.
Loan 11	120.86	30.30	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from April 2021. The outstanding term as of 31 March 2022 was 18 installments.
Loan 12	121.73	31.05	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 20 quarterly installments commencing from April 2021. The outstanding term as of 31 March 2022 was 16 installments.
Loan 13	26.51	5.91	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from August 2021. The outstanding term as of 31 March 2022 was 18 installments.
Loan 14	174.53	40.96	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from June 2021. The outstanding term as of 31 March 2022 was 17 installments.
Loan 15	186.16	42.37	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 21 quarterly installments commencing from July 2021. The outstanding term as of 31 March 2022 was 17 installments.
Loan 16	54.71	11.05	-	-	Secured by the asset which is taken under this finance lease	Loan shall be repaid in 60 Monthly installments commencing from November 2021. The outstanding term as of 31 March 2022 was 55 installments.

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 16.1 : Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2022		As at 31 March 2021		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 17	9,682.25	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2022 was 21 installments.
Loan 18	3,881.98	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2022 was 21 installments.
Loan 19	5,812.40	-	-	-	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 quarterly installments commencing after a moritorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2022 was 21 installments.
Loan 20	3,280.07	666.67	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant.	Loan shall be repaid in 18 quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2022 was 18 installments.
Loan 21	4,377.96	400.00	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan Shall be repaid in 24 quaterly installments commencing from post completion of principle moratorium period of 12 months. The outstanding term as of 31 March 2022 was 24 installments.
Loan 22	9,649.57	1,222.22	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant.	Loan shall be repaid in 18 quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2022 was 18 installments.
Loan 23	3,503.42	461.54	-	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant.	Loan shall be repaid in 26 quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2022 was 26 installments.
Total	**91,688.18**	**11,960.60**	**59,618.89**	**8,409.52**		

The rate of interest on the above term loans is in the range of 3.79% to 13.56% (Previous year 4.22% to 10%).

Note 17 : Provisions **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for gratuity (refer note 17.1)	1,997.05	1,946.20
Total	**1,997.05**	**1,946.20**
Current		
Provision for compensated absences	965.08	834.15
Provision for gratuity (refer note 17.1)	483.20	191.92
Total	**1,448.28**	**1,026.07**

Note 17.1 : Employee benefits

The Group operates the following post-employment defined benefit plan.

Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. There is no maximum limit for the payment of gratuity benefit. The present value of obligation is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(A) Funding

The Group's gratuity scheme for employees is administered through third party trust. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Group expects to pay ₹ 483.20 lacs in contributions to its defined benefit plans in financial year 2022-23.

The expected maturity analysis of undiscounted gratuity is as follows: **(₹ Lacs)**

Particulars	As at 31 March 2022	As at 31 March 2021
1 year	651.29	480.84
2 to 5 years	993.12	824.80
6 to 10 years	1,073.24	966.85
More than 10 years	1,044.98	1,203.97

(B) Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Obligation at the beginning of the year	2,427.04	2,026.30
Interest cost	116.42	110.35
Current service cost	272.69	182.22
Benefits paid	(145.09)	(132.62)
Actuarial (gains)/losses on obligations recognised in other comprehensive income		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(263.16)	329.30
- Experience adjustments	240.44	(88.51)
Obligation at the end of the year	**2,648.34**	**2,427.04**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	288.92	348.89
Interest income on plan assets	13.86	19.00
Contributions	10.00	43.82
Benefits paid	(145.09)	(132.62)
Return on plan assets, excluding interest income recognised in other comprehensive income	0.40	9.83
Plan assets at the end of the year, at fair value	**168.09**	**288.92**
Net defined benefit liability	**2,480.25**	**2,138.12**

(C) (i) Expense recognised in the statement of profit or loss (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	272.69	182.22
Interest cost	116.42	110.35
Expected return on plan assets	(13.86)	(19.00)
Net gratuity cost	**375.25**	**273.57**

(ii) Remeasurement recognised in other comprehensive income

Particulars	As at 31 March 2022	As at 31 March 2021
Actuarial loss on defined benefit obligation	(22.72)	240.80
Return on plan assets, excluding amount recognised in net interest expense	(0.40)	(9.83)
Total loss recognised in other comprehensive income	**(23.12)**	**230.97**

(D) Plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Insurance fund	168.09	288.92
Total	**168.09**	**288.92**

(E) Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Discount rate	5.40%	4.80%
Future salary growth	5.00%	6.00%
Mortality [IALM 2012-14]	100.00%	100.00%
Attrition rate	2% - 40%	2% - 40%
Weighted average duration of defined benefit obligation (in years)	5	6
Retirement age (in years)	58	58

Notes:

(i) The discount rate is based on the prevailing market yield on government bonds as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

	As at 31 March 2022	As at 31 March 2021
Projected benefit obligation on current assumptions	2,648.34	2,427.04
Impact of change in discount rate by +1%	2,504.19	2,274.90
Impact of change in discount rate by -1%	2,808.89	2,598.37
Impact of change in salary growth rate by +1%	2,807.93	2,594.63
Impact of change in salary growth rate by -1%	2,502.35	2,275.18
Impact of change in attrition rate by +50%	2,585.16	2,353.48
Impact of change in attrition rate by -50%	2,754.06	2,550.56
Impact of change in mortality rate by +10%	2,648.49	2,426.65
Impact of change in mortality rate by -10%	2,648.18	2,427.43

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

Defined contribution plans:

The Group's contribution to various defined contribution plans recognised in the statement of profit and loss under the head employee benefit expense are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Provident fund	806.95	648.56
Employee state insurance	329.64	213.24
Superannuation fund	4.15	12.65
Total	**1,140.74**	**874.45**

Note 18: Other Liabilities (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current		
Deferred income arising from government grant (refer note 18.1)	26,603.05	28,319.27
Total	**26,603.05**	**28,319.27**
Current		
Deferred income arising from government grant (refer note 18.1)	1,915.07	1,860.37
Advances received from customers	559.39	599.97
Statutory liabilities	1,052.66	906.47
Others	86.93	44.69
Total	**3,614.05**	**3,411.50**

Note 18.1 : Deferred income arising from government grant

The Group has received government grants in the form of import duty exemption and subsidy on purchase of capital goods, based on the terms of the respective schemes. The Group recognises such grants in statement of Profit or Loss on a systematic basis over the period in which the related expenses (the related costs for which the grants are intended to compensate) are incurred and charged to the income statement. The Group has presented such amortisation of deferred income as a deduction from the related expenses.

Note 19: Current borrowings (₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured borrowings		
Loans repayable on demand		
From banks (refer note 19.1 and note 19.2)	71,027.14	48,351.39
Bill discounting	33,579.88	35,228.12
Current maturities of non-current borrowing (refer note 16.1)	17,017.75	25,673.19
Total	**121,624.77**	**109,252.70**

Note 19.1 : The weighted average effective interest rate on the bank loans is 4.09 % per annum (4.61% as at 31 March 2021).

Note 19.2 : Working capital limits are secured against present and future stock and trade receivables on pari-passu basis.

Information about the Group's exposure to interest rate, currency and liquidity risk are disclosed in note 35.

Note 20 : Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro and small enterprises (refer note 20.1)	10,015.21	7,137.75
Total outstanding dues of creditors other than micro and small enterprises	60,810.40	53,821.40
Total	**70,825.61**	**60,959.15**
All trade payables are current.		
The Group's exposure to currency and liquidity risk are disclosed in note 35.		

Note 20.1 : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal*	10,246.08	7,774.65
- Interest	175.21	100.92
The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprises Act,2006 along with the amount of the payment made to the supplier beyond the appointed day during the year		Z
- Principal	23,993.32	9,384.53
- Interest	77.16	303.97
The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	264.36	196.57
The amount of interest accrued and remaining unpaid at the end of year	439.57	297.49

* Includes principal amount of ₹ 230.87 lacs(31 March 2021: ₹ 636.90 lacs) remaining unpaid to capital creditors.

Note 20.2: Trade Payables ageing schedule

As at 31 March 2022 **(₹ Lacs)**

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 -2 year	2 -3 year	More than 3 years	
(i) MSME*	-	5,214.38	4,763.34	30.82	6.68	-	10,015.22
(ii) Others	3,962.71	32,375.96	23,249.36	464.62	5.73	752.02	60,810.39
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,962.71**	**37,590.34**	**28,012.69**	**495.44**	**12.41**	**752.02**	**70,825.61**

As at March 2021 **(₹ Lacs)**

Particulars	Unbilled (Accruals)	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 -2 year	2 -3 year	More than 3 years	
(i) MSME*	-	4,206.18	2,905.19	20.98	5.40	-	7,137.75
(ii) Others	3,564.90	37,225.64	11,658.16	687.25	5.14	680.31	53,821.40
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,564.90**	**41,431.82**	**14,563.35**	**708.23**	**10.54**	**680.31**	**60,959.15**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Note 21 : Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital creditors (refer note 21.1)	-	644.63
Total	**-**	**644.63**
Current		
Capital creditors (refer note 21.1)	1,048.02	9,600.00
Employee related liabilities	3,189.85	3,110.00
Interest accrued but not due on borrowings	1,781.75	1,407.32
Derivative liability (refer Note 35.2 (iii) (a))	364.57	168.68
Unclaimed dividend (refer note 21.2)	84.32	99.77
Total	**6,468.51**	**14,385.77**

The Group's exposure to currency and liquidity risk are disclosed in note 35.

Note 21.1: Includes principal amount of ₹ 230.87 lacs (31 March 2021: ₹ 636.90 lacs) related to Micro, Small and Medium Enterprises.

Note 21.2: Unclaimed dividends when due shall be credited to Investor Protection and Education Fund. There is no amount due and outstanding as at balance sheet date to be credited to the Investor Education and Protection Fund.

Note 22 : Revenue from operations **(₹ Lacs)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from sale of goods	288,137.62	212,001.82
Other operating revenue (refer note 22.1 below)	30,257.40	13,829.84
Total	**318,395.02**	**225,831.66**

Note 22.1 : Other operating revenue comprises:

Sale of waste and scrap	5,890.75	3,835.13
Export incentive (refer note 22.2 below)	24,366.65	9,994.71
Total	**30,257.40**	**13,829.84**

Note 22.2: Pursuant to the approval granted by the Union Cabinet on 14 July 2021 for continuation of Rebate of State and Central Taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide notification dated 8 March 2019 on exports of Apparel / Garments and Made up, the Company the year had recognised the benefit of RoSCTL of ₹ 3,532 lacs pertaining to eligible export sales for the period from 1 January 2021 to 31 March 2021 which had previously not been recognised as the rates were not notified as at 31 March 2021.

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 23 : Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Interest income		
Interest from bank deposits	218.64	859.30
Interest on electricity deposits	32.00	24.27
Others	25.09	64.58
	275.73	**948.15**
b. Other than interest income		
Foreign exchange gain, net	1,381.90	-
Profit on sale of current investments	60.37	49.66
Gain on current investments carried at fair value through profit or loss	-	74.25
Income on derecognition of leases	-	265.55
Miscellaneous income	243.95	83.45
	1,686.22	**472.91**
Total	**1,961.95**	**1,421.06**

Note 24 : Cost of materials consumed and purchases of stock in trade

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Raw material and packing material consumed	175,271.29	76,619.86
B. Purchase of stock-in-trade	19,417.91	19,290.93
C. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
- Work in progress	15,475.89	20,756.93
- Finished goods	48,102.52	68,443.24
- Traded goods	7,098.88	9,329.89
	70,677.29	**98,530.06**
Closing stock :		
- Work in progress	21,388.28	15,475.89
- Finished goods	75,146.29	48,102.52
- Traded goods	4,418.61	7,098.88
	100,953.18	**70,677.29**
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(30,275.89)**	**27,852.77**

Note 25 : Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	26,826.57	21,831.26
Contribution to provident and other funds	1,140.86	874.45
Gratuity expenses	375.25	273.57
Expenses related to compensated absence	555.81	485.85
Workmen and staff welfare expenses	3,820.22	2,468.34
Total	**32,718.71**	**25,933.47**

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 26 : Finance costs (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on :		
Financial liability at amortised cost		
Interest on term loan [net of subsidy ₹ 6,033.26 lacs (previous year: ₹ 5,814.89 lacs)]	7,667.62	9,057.43
Interest on working capital loans	5,738.19	5,851.72
Interest on payment of income tax	270.00	100.00
Interest on MSMED vendors	439.57	297.49
Interest expense on lease liabilities	638.33	702.87
Other borrowing costs	3,033.90	1,710.46
Exchange differences regarded as an adjustment to borrowing costs	329.47	-
Total	**18,117.08**	**17,719.97**

Note 27 : Depreciation and amortisation expense (₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3.1)	14,586.65	13,761.12
Amortisation of intangible assets (refer note 3.3)	1,699.54	1,772.93
Depreciation on Right-of-use of asset (refer note 31)	1,456.69	1,528.57
Less: Amortisation of deferred income on government grants (refer note 18.1)	(1,900.32)	(1,817.32)
Total	**15,842.56**	**15,245.30**

Note 28 : Other expenses

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spare parts	1,564.28	1,414.88
Power and fuel	26,250.79	12,591.59
Royalty	10,281.13	8,536.83
Contract labour charges	5,180.42	4,324.31
Job work charges	3,350.68	1,202.05
Other manufacturing expenses	1,049.97	700.98
Freight outward, net	6,749.18	4,029.46
Advertisement and publicity	2,722.74	2,519.88
Rent	823.65	1,933.78
Travelling and conveyance	1,524.33	887.72
Professional and consultancy charges (refer note 28.1 below)	1,976.10	2,214.56
Selling expenses	975.87	1,046.53
Repairs and maintenance :		
i. plant and machinery	453.84	305.44
ii. buildings	152.42	145.49
iii. others	433.59	352.15
Insurance	1,232.87	1,077.68
Security charges	427.19	318.79
Communication expenses	524.80	441.75
Rates and taxes	610.64	282.20
Printing and stationery	68.51	55.22
Expenditure on corporate social responsibility (CSR) (refer note 28.2 below)	432.57	575.61
Contribution and donation	30.83	4.52
Commission on sales	62.59	72.60
Loss on sale of property, plant and equipment, net	146.38	38.02
Loss allowance on financial assets, net	52.51	107.55
Foreign exchange loss, net	-	1,121.47
Loss on current investments carried at fair value through profit or loss	40.46	-
Miscellaneous expenses	1,114.46	937.85
Total	**68,232.80**	**47,238.91**

Note 28.1 : Payments to auditors

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
For audit	133.50	113.50
For taxation matters	3.00	3.00
For other services	33.17	6.00
For reimbursement of expenses	4.30	6.81
	173.97	**129.31**
Remuneration to other auditors for the subsidiaries		
For audit	1.00	1.79
Total	**174.97**	**131.10**

Note 28.2 : Corporate Social Responsibility

The Company has spent towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013. The details are:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Amount required to be spent by the company during the year	432.05	573.03
ii) Amount of expenditure incurred on:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (i) above	162.57	575.61
(iii) Shortfall/(excess) at the end of the year	270.00	(2.58)
(iv) Total of previous years shortfal	-	43.88
(v) Reason for shortfall	Pertains to ongoing projects	NA
(vi) Nature of CSR activities	Covid-19 mitigation and allied expenses, promoting health care including preventive health care, special education, rural development project and promoting education	
(vii) Details of related party transactions		
a) Contribution to Himatsingka Foundation in relation to CSR expenditure	401.09	72.00

Note 29 :Commitments

i) Capital Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	836.07	2,397.67

ii) Other commitments:

The Group has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme and Advance Authorisation to utilise the benefit of zero or concessional custom duty rate. The benefits are subject to future exports within the stipulated period. Such export obligation at year end aggregate to ₹ 7,621.14 lacs (31 March 2021 : ₹ 20,360.35 lacs).

Note 30 : Contingent Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Claims against Group not acknowledged as debt		
- Income tax matters (refer note 30.1)	131.28	162.11
- Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 30.1)	797.37	668.90
	928.65	**831.01**
(b) Guarantees outstanding		
- Financial institutions	16,658.40	16,176.05
- Banks	-	7,684.07
- Others	4,997.52	3,382.27
	21,655.92	**27,242.39**
Total	**22,584.57**	**28,073.40**

Note 30.1 : The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows including interest and other consequential payments,if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. The Group doesn't expect any reimbursements in respect of the above contingent liabilities.

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 31 : Leases

I. Right-of-use assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Buildings		
Balance as at the beginning of the year	11,326.81	13,824.81
De-recognition of right-of-use of asset	-	(636.05)
Amortisation for the year	(1,456.69)	(1,528.57)
Foreign exchange	225.94	(333.38)
Balance as at the end of the year	**10,096.06**	**11,326.81**

The Group also has certain buildings on lease with contract terms of less than one year. These leases are classified as short-term. The Group has elected not to recognise Right-of-use assets and Lease liabilities for these leases.

II. Lease Liability:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening lease liabilities	12,664.60	14,831.76
Leases surrendered	-	(901.80)
Interest expense on lease liabilities	638.33	702.87
Payment of lease liabilities	(1,942.18)	(1,610.91)
Foreign exchange	267.48	(357.32)
Balance as at the end of the year	**11,628.23**	**12,664.60**
Current	1,489.57	1,355.01
Non-current	10,138.66	11,309.59

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate.

III. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	638.33	702.87
Amortisation expense on right-of-use of asset	(1,456.69)	(1,528.57)
Income on derecognition of leases (included in other income)	-	265.55
Expenses relating to short-term leases (included in other expenses)	823.65	1,933.78
Total	**5.29**	**1,373.63**

IV. Amounts recognised in statement of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
The total cash outflow for leases including cash outflow of short-term leases and leases of low-value assets	2,765.83	3,544.69

Note 32 : Segment Reporting

The Managing Director and Chief Executive Officer of the group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The group is structured into a single segment of Home Textiles value chain, and accordingly the CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by the Home Textiles and segment information has been presented accordingly.

The geographical information analyses the Group's revenue from external customer and non-current assets of its single reportable segment by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

i) Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
North America	248,733.23	184,674.99
India and Asia pacific	10,703.96	8,501.00
Europe, Middle East and Africa	26,734.17	17,830.37
Rest of the world	1,966.26	995.46
Total	**288,137.62**	**212,001.82**

Revenue generated from major customers

Customers contributing 10% or more of Company's revenue aggregates to 47.84 % of the total revenue in financial year 2021-22 (44.89% in the financial year 2020-21)

ii) All non -current assets other than financial instruments, deferred tax assets of the Group are located in India.

Note 33 : Income Taxes

Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax:		
In respect of the current year	4,290.39	1,515.67
	4,290.39	**1,515.67**
Deferred tax:		
In respect of the current year	2,660.49	1,170.72
	2,660.49	**1,170.72**
Income tax expense reported in the statement of profit and loss	**6,950.88**	**2,686.39**

Income tax recognized in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurements of the defined benefit (asset) / liabilities	8.08	(80.70)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	69.80	1,199.33
Income tax charged to other comprehensive (loss)/ income	**77.88**	**1,118.63**

Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit / (loss) before income tax	21,032.51	(2,648.49)
Enacted income tax rate in India	34.94%	34.94%
Tax using the Holding company's domestic tax rate	7,349.60	(925.49)
Effects of tax concessions and MAT entitlement	(141.39)	(274.16)
Effects of non - deductible expenses for tax purposes	321.68	199.48
Effects due to differential tax rates on capital gains	4.71	(10.11)
Others inclduing effects of incentive income accounted in currrent year while offered for tax in the previous year (refer note 22.2)	(1,022.80)	-
Tax credit not recognised of losses of subsidiaries operating in other jurisdictions	439.08	3,696.65
Total income tax expense recognised in the statement of profit and loss	**6,950.88**	**2,686.37**

Note 33 : Income Taxes (continued)

Deferred tax

Deferred tax relates to the following:

(₹ Lacs)

Particulars	As at 1 April 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	As at 31 March 2021	Recognised in profit or loss during 2021-22	Recognised in OCI during 2021-22	MAT utilisation	As at 31 March 2022
Deferred tax assets / (liabilities), net								
Property, plant and equipments and intangible assets	(24,997.42)	(2,792.81)	-	(27,790.23)	(2,702.08)	-	-	(30,492.31)
Cash flow hedge	936.51	-	(1,199.33)	(262.82)		(69.80)	-	(332.62)
Provision for gratuity and compensated absences	803.68	321.57	80.70	1,205.95	4.19	(8.08)	-	1,202.06
Leases	261.29	(99.50)	-	161.79	-	-	-	161.79
MAT credit entitlement	17,479.11	1,498.00	-	18,977.11	(949.17)	-	(167.43)	17,860.51
Unrealised profits on inventory	538.33	75.19	-	613.52	(45.13)	-	-	568.39
Others	2,144.58	(173.15)	-	1,971.43	1,031.70	(44.85)	-	2,958.28
Deferred tax assets / (liabilities), net*	**(2,833.92)**	**(1,170.70)**	**(1,118.63)**	**(5,123.25)**	**(2,660.49)**	**(122.73)**	**(167.43)**	**(8,073.90)**

*refer note 8(B)

Note 34 : Earnings/ (loss) per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit/(loss) for the year attributable to equity shareholders	14,081.63	(5,334.86)

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Number of equity shares outstanding at the beginning of the year	98,457,160	98,457,160
Add: Weighted average number for equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	98,457,160	98,457,160

Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Basic	14.30	(5.42)
Diluted	14.30	(5.42)

Note 35: Financial instruments:

Note 35.1 : Categories of financial instruments:

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2022	Level 1	Level 2	Level 3
Financial assets				
Measured at amortised cost:				
Cash and cash equivalents	11,548.96	-	-	-
Other bank balances	5,183.07	-	-	-
Trade receivables	39,945.72	-	-	-
Loans (current and non-current)	143.90	-	-	-
Other financial assets (current and non-current)	20,152.72	-	-	-
Measured at FVTOCI				
Derivative asset	1,382.97	-	1,382.97	-
Measured at FVTPL				
Investments (current and non-current)	1,331.03	344.96	-	986.07
Total	**79,688.37**	**344.96**	**1,382.97**	**986.07**
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	280,541.32	-	-	-
Trade payables	70,825.61	-	-	-
Lease liabilities (current and non-current)	11,628.23	-	-	-
Other financial liabilities (current and non-current)	6,103.94	-	-	-
Measured at FVTOCI				
Derivative liability	364.57	-	364.57	-
Total	**369,463.67**	**-**	**364.57**	**-**

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

(₹ Lacs)

Particulars	Carrying amount	Fair value		
	31 March 2022	Level 1	Level 2	Level 3
Financial assets				
Measured at amortised cost:				
Cash and cash equivalents	6,719.34	-	-	-
Other bank balances	5,902.38	-	-	-
Trade receivables	33,150.60	-	-	-
Loans (current and non-current)	118.72	-	-	-
Other financial assets (current and non-current)	16,318.97	-	-	-
Measured at FVTOCI				
Derivative asset	920.80	-	920.80	-
Measured at FVTPL				
Investments (current and non-current)	1,838.66	1,025.51	-	813.15
Total	**64,969.47**	**1,025.51**	**920.80**	**813.15**
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	246,650.60	-	-	-
Trade payables	60,959.15	-	-	-
Lease liabilities (current and non-current)	12,664.60	-	-	-
Other financial liabilities (current and non-current)	14,861.72	-	-	-
Measured at FVTOCI				
Derivative liability	168.68	-	168.68	-
Total	**335,304.75**	**-**	**168.68**	**-**

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial assets:

The Group has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

Current Investments : Fair value of quoted mutual funds units is based on quoted market price at the reporting date.

Financial liabilities:

Borrowings: It includes loans taken from banks and financial institution, cash credit and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on loans is reset on a monthly / quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed almost equal to the carrying values.

Note 35.2 : Financial risk management:

The Group's activities expose to financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Board of directors of the Holding Company has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Holding Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Bank deposits includes an amount of ₹ 7,416.39 lacs held with a bank having high quality credit rating which is individually in excess of 10% or more of the Group's total bank deposits for the year ended 31 March 2022. None of the other financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 78,693.99 lacs and ₹ 64,149.93 lacs as at 31 March 2022, and 31 March 2021, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets excluding cash in hand and equity investments.

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) is as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross %	Net %	Gross %	Net %
North America	57%	60%	67%	70%
Europe, Middle east and Africa	25%	22%	22%	18%
India and Asia pacific	16%	16%	10%	10%
Rest of the world	2%	2%	1%	1%

Geographical concentration of trade receivables is allocated based on the location of the customers.

ii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.The Group believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Management monitors rolling forecast of the Group's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

A) Financing arrangement

The Group maintains the following line of credit:

(a) Terms loans taken from bank aggregrating to ₹ 72,285.52 lacs (31 March 2021 ₹ 95,042.68 lacs) repayable in various quarterly and yearly installments with interest rate ranging from 4.03% to 10.83% (31 March 2021 : 3.71% to 11.26%) per annum. Term Loan from financial institutions aggregrating to ₹ 103,648.78 lacs (31 March 2021 ₹ 68,028.41 lacs) with interest rate ranging from 3.79% to 13.56% (31 March 2021 : 4.22% to 10%) per annum.

(b) Working capital loans from banks carry an effective interest rate of 4.09% per annum, computed on a monthly basis on the actual amount utilized, and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts of the Group and second pari passu charge on the movable (other than those exclusively charged) and immovable fixed assets of the Group.

(c) The Group has receivable bill discounting facility from banks which are payable within 120 days from date of bill discounted.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2022 **(₹ Lacs)**

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Financial liabilities:					
Borrowings	280,541.32	337,103.41	135,342.75	149,385.54	52,375.12
Trade payables	70,825.61	70,825.61	70,825.61	-	-
Lease liabilities	11,628.23	14,564.37	2,065.51	6,180.24	6,318.62
Other financial liabilities	6,468.51	6,468.51	6,468.51	-	-

As at 31 March 2021 **(₹ Lacs)**

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Financial liabilities:					
Borrowings	246,650.60	302,266.97	121,228.80	119,098.99	61,939.18
Trade payables	60,959.15	60,959.15	60,959.15	-	-
Lease liabilities	12,664.60	16,187.36	1,988.29	6,473.36	7,725.71
Other financial liabilities	15,030.40	15,030.40	14,385.77	644.63	-

As disclosed in note 16.1, the Group has secured bank loan that contains loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk:

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are USD, GBP etc.

Management monitors the movement in foreign currency and the Group's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Group decides to exchange its foreign currency. A significant portion of the Group's revenues are in foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to foreign currencies, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative and non-derivative financial instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates.

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Sell Contracts:

Particulars	As at 31 March 2022			As at 31 March 2021		
	in Foreign Currency in (Million)	₹ lacs	MTM (₹ lacs)	in Foreign Currency in (Million)	₹ lacs	MTM (₹ lacs)
In USD	230.29	178,974.63	1,033.98	143.90	108,976.29	775.34
Total		**178,974.63**	**1,033.98**		**108,976.29**	**775.34**

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Buy Contracts:

Particulars	As at 31 March 2022			As at 31 March 2021		
	in Foreign Currency in (Million)	₹ lacs	MTM (₹ lacs)	in Foreign Currency in (Million)	₹ lacs	MTM (₹ lacs)
IN EURO	0.76	663.33	(5.66)	2.35	2,109.61	(35.09)
In JPY	-	-	-	71.62	518.84	(6.09)
In USD	5.37	4,131.95	(9.92)	4.17	3,113.52	17.97
Total		**4,795.28**	**(15.58)**		**5,741.97**	**(23.21)**

The foreign exchange forward contracts mature within 12 months. The table below analyses the derivative financial instruments sell contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 30 days	17,901.41	9,518.61
31 to 90 days	15,548.61	9,344.74
91 to 180 days	52,810.31	33,475.62
181 to 365 days	92,714.30	56,637.32
Total	**178,974.63**	**108,976.29**

The foreign exchange forward contracts maturity. The table below analyses the derivative financial instruments buy contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 30 days	-	-
31 to 90 days	1,731.92	167.17
91 to 180 days	3,063.36	4,027.94
181 to 365 days	-	1,546.86
Total	**4,795.28**	**5,741.97**

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk (unhedged foreign currency exposure) as reported to management is as follows:

Particulars	Currency	As at 31 March 2022		As at 31 March 2021	
		Amount in foreign currency in lacs	Amount in ₹ lacs	Amount in foreign currency in lacs	Amount in ₹ lacs
Cash and cash equivalents	USD	0.24	18.10	0.19	13.92
	EUR	0.24	19.99	0.46	39.84
	GBP	0.29	29.08	0.07	6.62
Trade receivables	USD	201.82	15,281.78	120.28	8,844.10
	EUR	9.92	838.02	42.70	3,676.36
	GBP	5.02	498.71	9.41	950.06
	AED	0.02	0.31	0.06	1.18
Other non current assets	USD	0.54	40.81	0.28	20.53
	EUR	0.01	0.88	-	-
Other current assets	USD	1.75	132.79	0.51	37.46
	EUR	0.37	31.32	0.34	28.98
Borrowings	USD	91.66	6,940.85	301.61	22,176.82
Trade payables	USD	133.53	10,110.97	67.48	4,961.97
	EUR	8.15	688.39	3.00	258.06
	GBP	0.13	12.50	0.22	21.76
	CHF	0.02	1.65	0.02	1.58
	JPY	0.22	0.13	12.82	8.51
Other current liabilities	USD	26.91	2,037.32	4.74	348.22
	EUR	5.14	434.30	5.50	473.57
	GBP	0.00	0.33	0.21	21.37
Other financial liabilities	USD	0.80	60.60	0.06	4.32
	EUR	3.80	320.72	35.34	3,042.41
	JPY	-	-	3,655.66	2,425.30

There were no forward contracts outstanding against the above mentioned foreign currency assets and liabilities as at 31 March 2022.

The following significant exchange rates have been applied

Currency	Year end spot rate	
	31 March 2022	31 March 2021
USD/INR	75.72	73.53
EUR/INR	84.50	86.10
GBP/INR	99.26	100.93
AED/INR	20.61	20.02
CHF/INR	81.86	77.90
JPY/INR	0.62	0.66

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO and GBP against ₹ at 31 March 2022 and 31 March 2021 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (1% movement)	(36.76)	36.76	23.92	(23.92)
EURO (1% movement)	(5.53)	5.53	3.60	(3.60)
GBP (1% movement)	5.15	(5.15)	(3.35)	3.35
AED (1% movement)	0.00	(0.00)	(0.00)	0.00
CHF (1% movement)	(0.02)	0.02	0.01	(0.01)
JPY (1% movement)	(0.00)	0.00	0.00	(0.00)
31 March 2021				
USD (1% movement)	(185.75)	185.75	120.84	(120.84)
EURO (1% movement)	(0.29)	0.29	0.19	(0.19)
GBP (1% movement)	9.14	(9.14)	(5.94)	5.94
CHF (1% movement)	-	-	-	-
JPY (1% movement)	(24.25)	24.25	15.78	(15.78)

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Group's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Group's borrowings comprises of term loan, working capital loan and bill discounting which carries variable rate of interest, which expose it to interest rate risk.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2022	31 March 2021
Borrowings (current and non current)	280,541.32	246,650.60
Total	**280,541.32**	**246,650.60**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	25 basis points Increase	25 basis points Decrease	25 basis points Increase	25 basis points Decrease
31 March 2022				
Borrowings (current and non current)	(658.99)	658.99	(428.71)	428.71
31 March 2021				
Borrowings (current and non current)	(660.12)	660.12	(429.45)	429.45

Note 35.3: Capital management

The Group's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to uphold investor, creditor and market confidence and to sustain future development and growth of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Group's capital management, adjusted net debt is defined as aggregate of non-current borrowings and current borrowings less cash and cash equivalents, deposits and current investments and total equity includes issued capital and all other equity reserves.

The Group's adjusted net debt equity ratio were as follows:

Particulars	31 March 2022	31 March 2021
Borrowings including lease liabilities (current and non-current)	292,169.55	259,315.20
Less: Cash and cash equivalents including deposits and current investments	(18,604.10)	(14,444.95)
Adjusted net debt	**273,565.45**	**244,870.25**
Total equity	146,971.35	131,522.20
Net debt to equity ratio	**1.86**	**1.86**

The Group has also evaluated the impact of the COVID-19 on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

Note 36 : Related party disclosures

Note 36.1 : Name of related parties and description of relationship

Description of relationship	Names of the related parties
Key management personnel	D.K. Himatsingka - Executive Chairman Shrikant Himatsingka - Managing Director & CEO K.P.Rangaraj - Chief Financial Officer Sridhar Muthukrishnan - Company Secretary **Non-executive directors** Rajiv Khaitan - Independent Director Sangeeta Kulkarni - Independent Director Pradeep Bhargava - Independent Director Raja Venkataraman - Independent Director *V.Vasudevan - Non-Executive Director w.e. f. May 29, 2021
Transaction with entities over which key management personnel or relatives of such personnel are able to exercise significant influence	Khaitan & Co LLP Jacaranda Design LLC Bihar Mercantile Union Private Limited Orient Silk Private Limited Aditya Resources Limited Priya Resources Private Limited Awdhan Trading Co Ltd Himatsingka Foundation
Transaction with relatives of key management personnel	Mrs. Rajshree Himatsingka (Wife of D.K. Himatsingka) Ms. Priyadarshini Himatsignka (Daughter of D.K. Himatsingka) Mrs. Akanksha Himatsingka (Wife of Shrikant Himatsingka)

* Executive Director till May 29, 2021.

List of subsidiaries (including step subsidiaries)

Name of the entity	Subsidiary/ Step Subsidiary	Country of domicile	Holding as at	
			31 March 2022	31 March 2021
Himatsingka Wovens Private Limited	Subsidiary	India	100%	100%
Himatsingka Holdings North America, Inc.	Subsidiary	United States of America	100%	100%
Twill & Oxford LLC (under liquidation)	Subsidiary	United Arab Emirates	49%	49%
Himatsingka America, Inc.	Step Subsidiary	United States of America	100%	100%

Note 36.2 : Related party transactions during the year (₹ Lacs)

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
Professional fees	Jacaranda Design LLC	149.05	148.19
	Khaitan & Co LLP	23.23	25.75
	V Vasudevan	20.00	-

Note 36.3: Balance payable to related parties as at the balance sheet date: (₹ Lacs)

Particulars		As at 31 March 2022	As at 31 March 2021
Other payables	Jacaranda Design LLC	161.29	85.56

Note 36.4 : Compensation and dividend payment to key management personnel* **(₹ Lacs)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and compensation	736.26	612.26
Commission	300.00	40.00
Dividend paid	102.24	102.24
Sitting fees	29.50	23.26
Total	**1,168.00**	**777.76**

Note 36.5 Compensation and dividend payment to other related parties

i) Relatives of key management personnel **(₹ Lacs)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and compensation	148.92	23.27
Dividend paid	30.68	30.68
Total	**179.60**	**53.95**

ii) Entities over which key management personnel or relatives of such personnel are able to exercise significant influence

(₹ Lacs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend paid		
Bihar Mercantile Union Private Limited	31.34	31.34
Orient Silk Private Limited	17.17	17.17
Aditya Resources Limited	16.49	16.49
Priya Resources Private Limited	15.61	15.61
Awdhan Trading Co Ltd	20.64	20.64
Total	**101.25**	**101.25**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are at arm's length basis and none of the balances are secured.

Note 37: During the previous year ended 31 March 2021, the Company has passed a board resolution dated 7 November 2020 and converted loan given to one of its subsidiaries aggregating ₹ 25,258.17 lacs into equity. Further, the Company as a measure to restructure its luxury retail business had closed its retail store in Dubai and accordingly had recorded the net asset of its subsidiary at its fair value. Consequently, the Company had provided for ₹ 747.64 lacs (includes loan of ₹ 577.75 lacs) in the standalone financial statements of the Company as these amounts were not considered recoverable. The Company had also made a provision towards impairment of investment of ₹ 37.35 lacs. However, there is no impact on the consolidated financial statements of the Group.

Note 38 : No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s)or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (FundingParty) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 39 : Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Notes to the consolidated Ind AS financial statements for the year ended 31 March 2022

Note 40 : Quarterly statements

The quarterly statement as submitted to the banks/financial institutions when compared to the books of accounts of the Group and the reasons for variances are as follows:

Name of the Bank	Quarter Ended	Particulars of security provided	Amount disclosed as per quarterly return/statement*	Amount as per Books of accounts*	Difference	Reason for variance
Canara Bank, The HSBC Ltd., Indusland Bank Ltd., Axis Bank, Kotak Bank, RBL Bank Ltd., DCB Bank Ltd., Yes Bank Ltd., Karur Vysya Bank Ltd., IDBI Bank Ltd., Bank of India, HDFC Bank Ltd., Bank of Maharashtra	Mar-22	Inventories, Trade receivables,Trade payables, Subsidy receivable under various government schemes, Interest subsidy receivable and Balances with government authorities	105,169.96	114,120.06	8,950.10	The differences are because of the statements filed with the lenders are based on financial statements which are prepared on provisional basis and also on account of exclusion of certain current assets and current liabilities in the statements filed with the lenders as per terms of sanction.
	Dec-21		88,744.21	101,799.67	13,055.46	
	Sep-21		88,187.99	98,690.38	10,502.39	
	Jun-21		83,015.35	83,679.17	663.82	

* The amount represents the net of certain items of current assets and current liabilites provided as a part of security to the bankers.

Note 41 : Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2022 -

Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ lacs)	As % of consolidated profit or loss	Amount (₹ lac)	As % of consolidated Comprehensive income	Amount (₹ lacs)	As % of consolidated total comprehensive income	Amount (₹ lacs)
Himatsingka Seide Limited	54%	171,003.15	250%	15,432.57	100%	145.00	246%	15,577.57
Indian Subsidiaries								
Himatsingka Wovens Private Limited	1%	2,201.89	1%	71.31	0%	-	1%	71.31
Foreign Subsidiaries								
Himatsingka Holdings North America, Inc.	32%	103,450.47	-23%	(1,398.10)	0%	-	-22%	(1,398.10)
Himatsingka America, Inc.	13%	41,981.01	-128%	(7,925.44)	0%	-	-125%	(7,925.44)
Twill & Oxford LLC	0%	5.63	0%	(2.81)	0%	-	0%	(2.81)
	100%	**318,642.15**	**100%**	**6,177.53**	**100%**	**145.00**	**100%**	**6,322.53**
Consolidated adjustments		(171,670.80)		7,904.10		(1714.98)		9,619.08
Total		**146,971.35**		**14,081.63**		**1,859.98**		**15,941.61**

Note 42 : Events after reporting period

On 30 May 2022, the Board of Directors recommended a final dividend of ₹ 0.50 per equity share to be paid to the shareholders for financial year 2021-22, which needs to be approved by shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 492.29 lacs.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Umang Banka
Partner
Membership number: 223018

Place: Bengaluru
Date : 30 May 2022

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Managing Director & CEO
DIN: 00122103

K.P.Rangaraj
Chief Financial Officer

Sridhar Muthukrishnan
Company Secretary

Membership number:9606

Place: Bengaluru
Date : 30 May 2022

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Himatsingka

INSPIRED EXCELLENCE