gokaldas exports ltd

GEL/SEC/2021-22

17th September, 2021

BSE Limited
Floor 25, P.J Towers,
Dalal Street,
MUMBAI – 400 001

SCRIP CODE: 532630

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra – Kurla Complex, Bandra (E),
MUMBAI-400 051

GOKEX

Dear Sir,

Sub: Annual Report for the Financial Year 2020-21

We hereby enclose the Annual Report of the Company for the Financial Year 2020-2021 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and record.

Thanking you,

Yours truly,
for Gokaldas Exports Limited

M S Shrithee

Shrithee M S
Company Secretary

Gokaldas Exports Limited Bangalore-22

Encl: as below

GOKALDAS EXPORTS LTD

Poised for Acceleration

ANNUAL REPORT **2020-21**

Poised for Acceleration

Gokaldas Exports has been a leader in the field of apparel manufacturing for the past four decades. Through these years, the Company has artfully negotiated several peaks and troughs and advanced in the face of relentless global competition, creating value for all its stakeholders.

The past three years have been a period of sustained efforts, a period of rejuvenation when we worked hard to build a strong and sustainable foundation for our Company. We have seen the fruits of our labour in the revenue growth that we experienced during these years. We believe that we have been able to rediscover, remould and reinvigorate ourselves, thereby setting the Company into an orbit for achieving greater milestones.

This financial year has proved to be an opportunity in disguise for our Company. We not only met every challenge posed by the COVID-19 pandemic but also capitalised on the opportunities available during this time of flux. The Company was able to gain a significant market share from our competitors. The leading global fashion brands have been consolidating their supplier base over the last decade focusing on larger supplier groups who are able to provide additional elements of product design and development, high quality manufacturing to cater to the discerning customers, a strong supply chain integration and a commitment to sustainability.

As a leading supplier to global brands from India, Gokaldas Exports stands to gain from this and is geared to leverage this opportunity.

Industry leading fashion brands have consolidated their supplier base over the last decade and it remains a long-term strategy and extends to coordinating new factory investments with familiar manufacturers.

This consolidation would be more towards large, vertically integrated supplier groups which would be able to provide additional elements of product design and development, inventory management, stock holding, logistics, factory selection and multi-factory production planning.

We are certain that the Company will continue to excel in its business and reap the dividends of its unflinching efforts. We are confident that, having built a strong foundation, Gokaldas Exports is on the precipice of a new and brilliant chapter of growth. For the years to come, our Company is certainly poised for acceleration.

Contents

01

CORPORATE OVERVIEW

02	About Us
04	Our Journey
06	Our Clientele
08	Global Presence
10	Chairman's Communique
12	Letters to Shareholders
14	Impact of Covid-19
16	Business Model
18	Key Performance Indicators
20	Integrated Manufacturing Facilities
24	Our People
26	Corporate Social Responsibility
28	Environment, Health and Safety
32	Management Discussion and Analysis

02

STATUTORY REPORTS

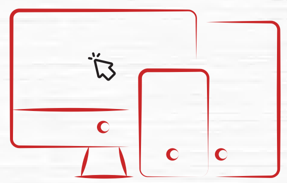
40	Corporate Information
41	Board's Report
60	Business Responsiblity Report
67	Corporate Governance Report

03

FINANCIAL STATEMENTS

88	Standalone Financial Statements
149	Consolidated Financial Statements

Forward-looking statements
In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects','intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Further information can be found online by visiting

gokaldasexports.com

ABOUT US

Introducing
Gokaldas Exports Limited

Gokaldas Exports Limited (GEL) is a leading apparel manufacturer since 1979, engaged in the designing, manufacturing and exporting of a wide range of apparel products ranging from outerwear, activewear and fashion wear for all seasons. The Company exports to some of the major fashion brands and retailers across 50+ countries. GEL consistently strives to deliver excellence every step of the way.

The Company's world class apparel manufacturing facilities are complemented by integrated ancillary units which provide services such as laundry, embroidery, printing, quilting, and poly wadding. We are one of the largest organised apparel manufacturers in India with a manufacturing capacity of 30 million apparel pieces per annum.

We have a proud workforce of nearly 24,000 people, 80% of whom are women. All the units are certified to international standards for environmental and social compliance. The Company is listed on the Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) Limited.

OUR VISION

To be a globally reputed and trusted apparel manufacturer, evoking distinctive recognition for product, performance, process and people

OUR MISSION

Achieve profitable growth through innovation, quality, consistency and commitment

4+ DECADES OF MANUFACTURING EXPERIENCE

CATERING TO BRANDS IN OVER **50** COUNTRIES

STRONG WORKFORCE OF **~24,000** PEOPLE WITH **80%** WOMEN EMPLOYEES

14 STATE-OF-THE-ART MANUFACTURING UNITS EQUIPPED WITH **13,000+** MACHINES

FULLY **INTEGRATED MANUFACTURING** OPERATIONS

COMMITTED TO **SUSTAINABILITY**

5 VALUE-ADDED SERVICE UNITS

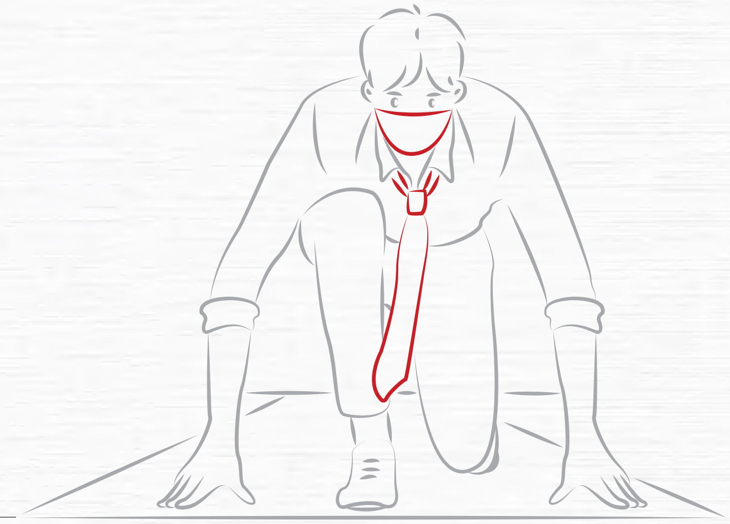
2 NEW UNITS COMING UP SOON

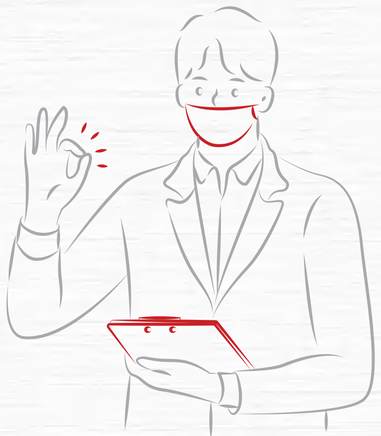
OUR JOURNEY

Establishing Stronghold after a Tempestuous Journey

Gokaldas Exports has a long history dating back to the early 20th century. The Company started as a humble family owned business in Sindh, and today it is one of the leading apparel manufacturers in India.

As we go through the legacy of Gokaldas Exports (erstwhile Gokaldas Harbhagwandas Partners), we witness a story of resilience.





Since 1947 — A TALE OF PARTITION

After India's partition in the year 1947, Jhamandas Hinduja and his two brothers, Naraindas and Devkishendas, moved their Sindh-based silk trading business Gokaldas Harbhagwandas Partners to India.

1979 — THE YEAR WHEN THE PARTNERSHIP SPLIT

In 1979, the business was split among the three brothers, with Jhamandas Hinduja taking the lead of the major successor, Gokaldas Exports. The Company was subsequently run by his three sons, Madanlal, Rajendra, and Dinesh Hinduja, who were involved since its inception.

2005 — THE YEAR OF IPO

The Company went public in 2005 and was listed on Indian stock exchanges.

2007 — ACHIEVING HIGH SALES MILESTONES AND A GAME-CHANGING ACQUISITION STORY

In March 2007, Gokaldas Exports Ltd. crossed the ₹ 10 billion sales milestone, a first for an Indian apparel Company. Looking at the growing potential of the textile industry, Blackstone, the global private equity giant, acquired a controlling stake of approximately 70% in the Company.

2007-17 — CHALLENGING TIMES FOR GOKALDAS EXPORTS

Over the next 10 years until 2017, under the management and leadership of Blackstone, the Company confronted a changing business environment ushered in by abolition of Multi Fibre Agreement imposed Quotas and a growing apparel business in Bangladesh.

2017 — THE EXIT OF BLACKSTONE AND USHERING OF A NEW ERA

Blackstone steadily reduced its investment in the Company and finally exited from its decade-long investment by selling its stake to another Private Equity firm Clear Wealth Consultancy Services LLP.

2021 — STILL STRONG AND UNDETERRED

Clear Wealth now holds about 33% of the Company, and the Company is listed on BSE and NSE of India. With the COVID-19 pandemic, Gokaldas Exports faced a new kind of challenge, but it turned the crisis into an opportunity and achieved greater market share in the bargain. The journey continues as the Company gears up to take monumental strides.

OUR CLIENTELE

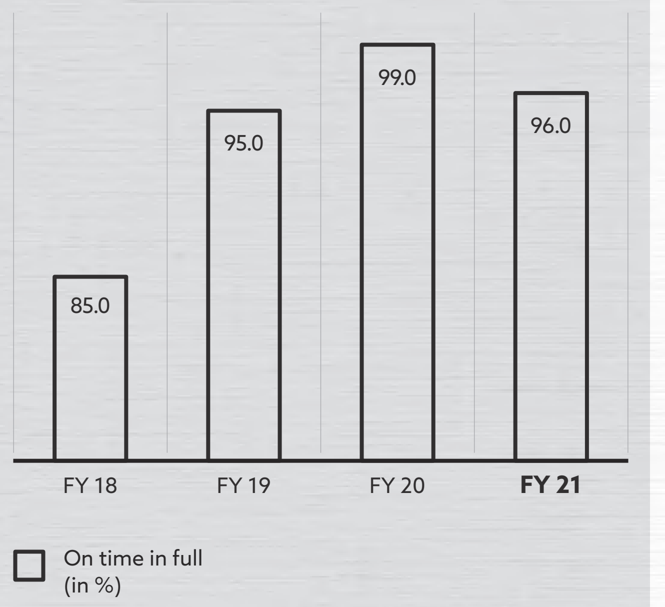
Building Stronger Relationships

At Gokaldas Exports, we have some of the most prominent global brands as our clients. We cater to their diverse and growing needs and are proud to be associated with them. Our clients are based all over the globe, across all 6 continents.

CUSTOMER SERVICING KPIs

SUPERIOR TRACK RECORD OF SERVING CLIENTS

Gokaldas Export's OTIF dropped marginally in FY2020-21 due to the ongoing challenges from the pandemic. The Company's high performance in client serving metrics makes it a preferred vendor for global brands.

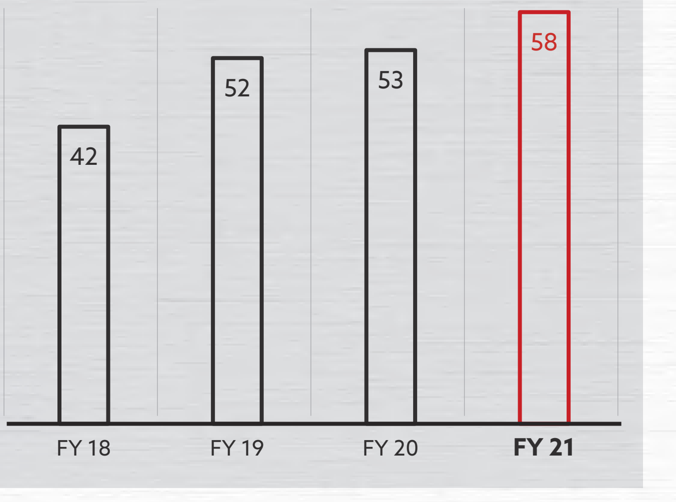


LONG-STANDING RELATIONS WITH MARQUEE GLOBAL CUSTOMERS

The Company has continuously upgraded itself to meet the ever changing and evolving demand of its customers. Bulk of the Company's revenue comes from its long term customers.

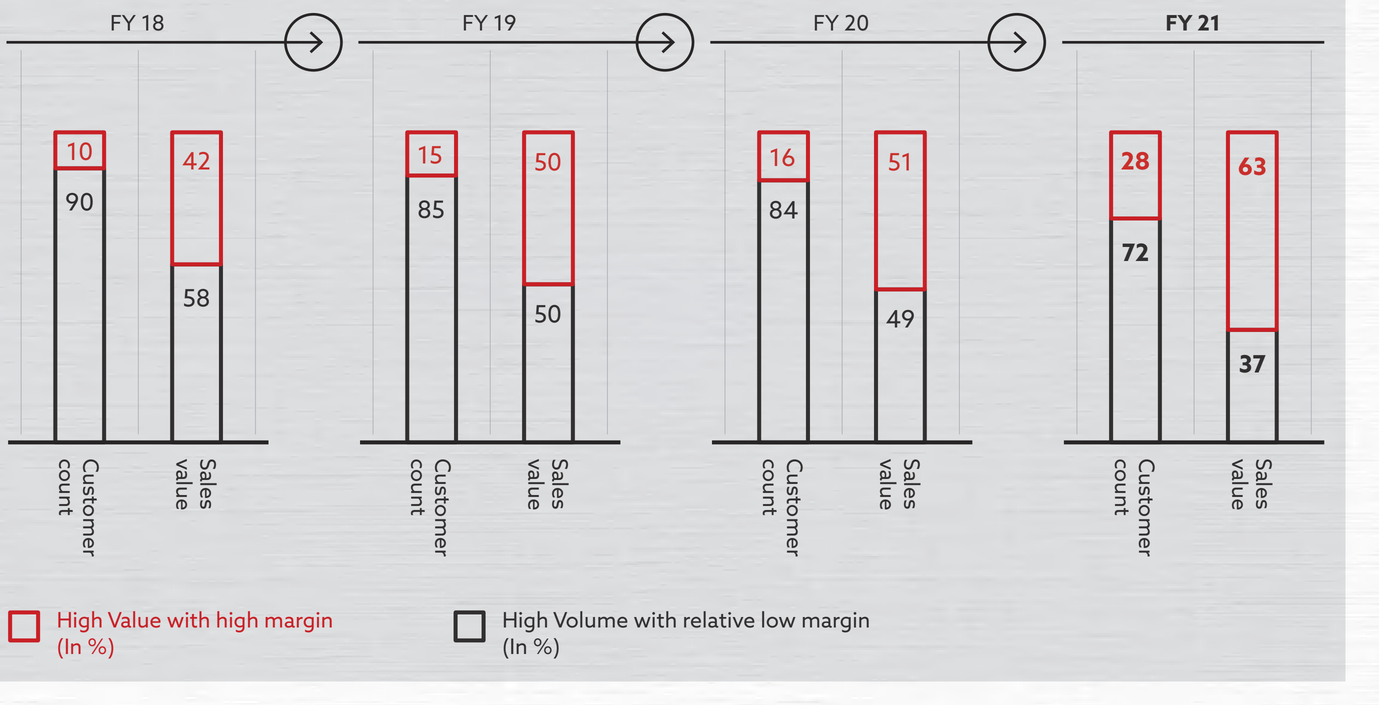
WALLET SHARE OF TOP 3 CUSTOMERS

Not only has the Company successfully served its clients for a long period of time, but it has also managed to garner a higher share of their wallet spends.



VALUE/VOLUME CUSTOMER LEVEL

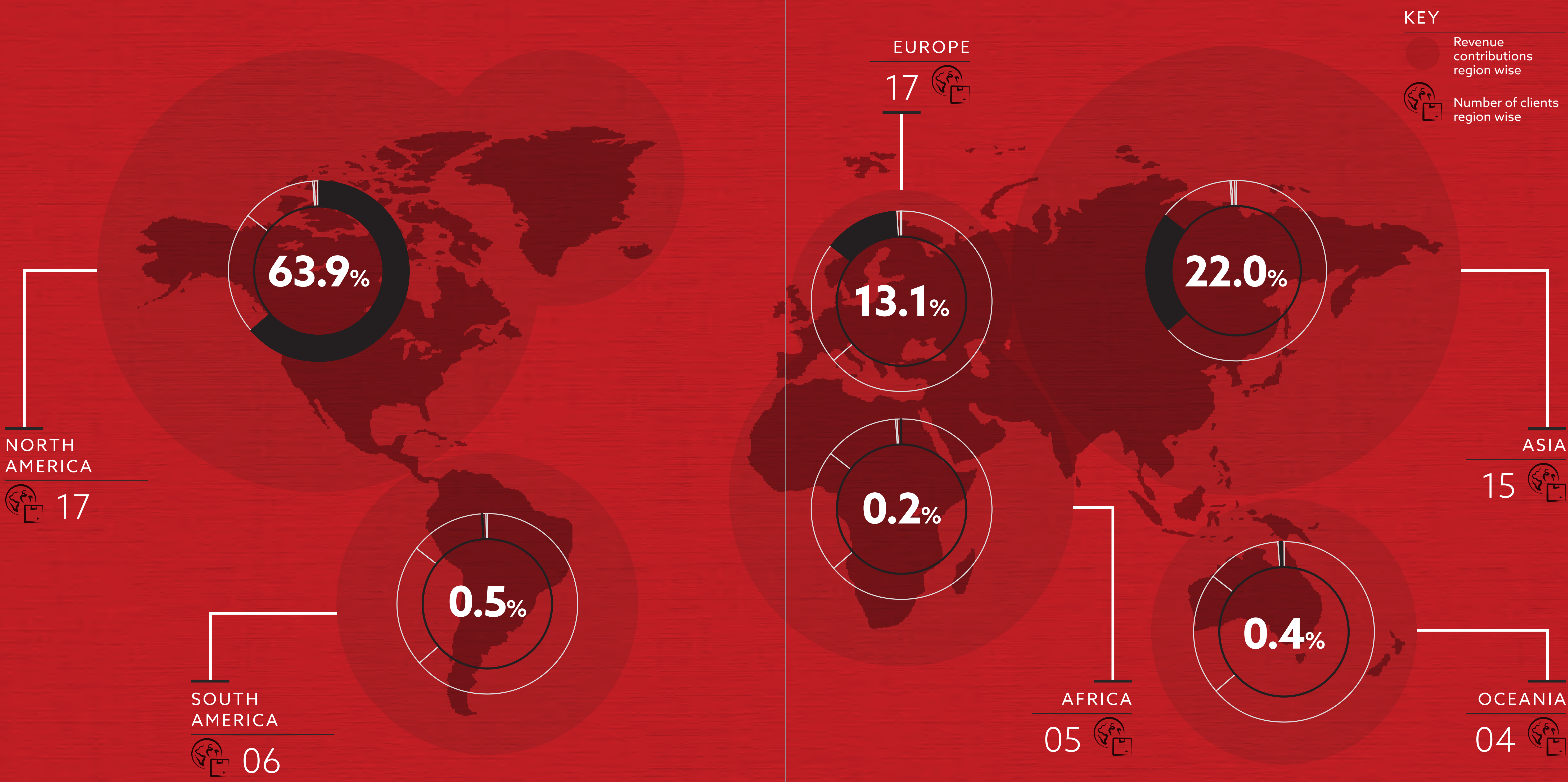
The Company has witnessed a strong increase in revenue contribution from high value high margins products over the years.



GLOBAL DELIVERY REACH

Enabling Fashion Globally

With each passing year our customer base gets stronger and the faith our customers have on our capabilities gets reinforced further. We are proudly associated with customers from across the globe and have a presence in each continent. Gokaldas Exports aims to bolster its position as a leading exporter in the apparel industry by adding value to its products and prioritising its customers' needs.



CHAIRMAN'S COMMUNIQUE

Braving Every Storm

DEAR SHAREHOLDERS,

It is my distinct pleasure to present to you our annual report for FY2020-21. This has been one of the most challenging years that we have witnessed, both personally and professionally.

₹26.5 crores

PAT IN FY2020-21 AS AGAINST ₹ 10.04 CRORES IN FY2019-20

The COVID-19 pandemic took the world by storm and wreaked havoc on the lives of people across the globe. From a business perspective, it severely impacted the operations of our Company and as the year progressed, a slow and steady recovery was made possible with the easing of lockdown. Despite the many challenges thrown at us, I am delighted to share that the Company not only withstood the storm but it navigated through the challenges and rose to the occasion.

In the last three years, the Company has worked hard to build a strong foundation for itself. It was a transformative period for us at Gokaldas Exports, and it set us on the path to achieving greater milestones in the near future. This financial year was crucial for us for exactly these reasons, and I am happy to report that we were able to capitalise on the opportunities, and gain significant market share from other suppliers. The pandemic proved to be an opportunity in disguise for Gokaldas Exports.

While our exports revenue declined by 8.8%, it was still significantly better than the overall 17.4% decline of Indian apparel exports.

> At Gokaldas Exports, we take pride in our superior customer relations - we relentlessly aim to deliver quality products in a timely manner, thus ensuring excellence in operations.

Further, we streamlined our operations to become more efficient, reduced our unproductive costs and ensured better utilization of the available capacity. The Company achieved a healthy Profit after Tax (PAT) growth of ₹ 26.6 crore in FY2020-21 as compared to ₹ 10.4 crore in FY2019-20, which can be mainly attributed to the superior operations of Gokaldas Exports in this financial year. Our EBITDA for the year stood at ₹ 113.7 crore, which is significantly higher than our FY20 EBITDA which stood at ₹ 102.1 crore. Additionally, increase in cash from operations helped reduce the borrowings of the Company. Overall, we handled our cash flows well and improved our working capital through the year.

At Gokaldas Exports, we take pride in our superior customer relations - we relentlessly aim to deliver quality products in a timely manner, thus ensuring excellence in operations. Our long-standing relationship with our customers and addition of scalable marquee customers over the years has considerably supported the growth of our Company. This enabled us to retain our position this year, as a preferred supplier for our global customers. Further, with the onset of COVID-19 and the consequent demand for personal protective equipment (PPE), we realigned our product mix to address the new market need. We believe that in order to stay relevant for our customers, we must adapt ourselves to their needs and keep ourselves abreast of the changing dynamics of business. We will nurture these relationships, strengthen our partnerships ,and look forward to sustainable exponential growth ahead.

The pandemic also brought us closer to our biggest strength and ally, our people, all 24,000+ of them. It was in these trying times that we realised what they truly mean to us, and the Company went above and beyond to ensure that each and every one of them is looked after and cared for. We laid down guidelines for the safety of our people and provided them with protective gears to provide a safe environment in the midst of a raging pandemic. We supported our people through various specific initiatives, such as the COVID Samvada, a podcast by our resident doctor to spread awareness about the disease, testing facilities and vaccination drives. It is our firm belief that our Company rides on the success of our people and that moving ahead together is critical to the success of the organisation.

I would also like to share that Gokaldas Exports strives to be environmentally conscious, and attempts to bring sustainability in its core business at all times. We have undertaken various initiatives such as rain water harvesting, planting of saplings and switching to renewable solar energy in our endeavour to become environmentally sound. We understand and acknowledge the effect that our business could have on this environment, and we are constantly striving to minimise our environmental impact and become sustainable in our operations.

In closing, I would like to convey my gratitude to our team, our customers and our other stakeholders who have continued to believe in us and have supported us through these difficult times. It is your immense faith in us that inspires us to do better each year and deliver excellence along the way. Thank you for being our allies and our strength.

MR. RICHARD B. SALDANHA
CHAIRMAN AND NON-EXECUTIVE INDEPENDENT DIRECTOR

LETTER TO SHAREHOLDERS

Catapulting from a Strong Base

DEAR SHAREHOLDERS,

In the year of the pandemic, I am happy to bring you good news and welcome trends. COVID-19 tested human resilience globally, and the business world was no exception. I report with great satisfaction that Gokaldas Exports thrived in the face of this adversity and took a giant leap ahead.

Lockdowns forced store closures in most markets and imposed factory shut-downs in India and other producing countries, resulting in a volatile order flow and disrupted supply chain claiming a toll on the financial health of most companies. When the first wave struck, we had order cancellation and realignment, payment deferral and operations closure, resulting in a stressed Q1 and Q2 in FY2020-21. Many large iconic brands filed for bankruptcy, defaulting on payment to suppliers. Q3 saw a constrained order flow as the customers were suffering from excess inventory from Spring 2020. In addition to such challenges, we also had to deal with price pressure as global orders were far lower than global supply. In response, we managed to cut costs significantly, rationalised our capacity, streamlined operations through sheer agility and ramped up our order book. The crisis clearly brought the best out of us.

During the early onset of the pandemic, we converted the crisis into an opportunity and entered the PPE business. We became the pioneers in PPE when it was unheard of in India. We seized the opportunity to design and manufacture PPEs and became one of the largest producers of the product. This brought in revenue to the extent of ₹ 80 crores and cash flows to tide over the financial deficit during the period. The Company also consciously reduced its exposure to Indian retail customers to minimise credit risk. We returned to business normalcy from Q4 onwards.

We ensured high efficiency in our manufacturing process, controlled our costs well, contained the working capital deployed and improved connect with our customers. All this while competing with the best in China, Vietnam, Bangladesh, Turkey and Mexico, and carving out a business space for ourselves. With all these efforts, we could contain our overall export sales drop to just 9% over the previous year, while our customers saw their business volume shrink by about 25% through the period. Clearly, we consolidated the supplier base and came out gaining a larger share of business.

Customer confidence in Gokaldas Exports is very high, as we have consistently met our commitments through these years. Despite a drop in revenue in FY2020-21, the Company delivered a superior EBITDA margin for the year. The morale of the organisation is at a high now, quite simply because we came out much stronger in the course of the year.

Textiles industry is truly global in its outlook. Looking at the consumer trend, we realise that the consumers are always online, better informed, more demanding, more conscious and price sensitive. The whole rise of fast fashion in apparel, is indicative of the above trends. The growth in apparel is being driven by mass consumption, leading to higher purchase per capita. This in itself leads to huge global supply chain implications, with more and more garments being produced in low-cost countries and transported globally.

The retail industry on which we are dependent is witnessing a seminal shift. E-marketplaces are growing at a meteoric pace. With mall and department store footfall challenged, all retailers are providing omni channel options to customers and pivoting to digital market places. The pandemic saw a significant rise in online sales across all brands and countries. These trends are expected to throw new winners in the retail landscape. Diversifying the customer base, staying closer to the customers and being agile in the supply chain, will be the way forward for suppliers like us.

Competition is global and relentless. Customers are fickle and fashion brands are ruthless while searching product capability, scale, quality and cost. India is strengthening its position as a leading apparel manufacturing destination, even while new countries are emerging in Asia and Africa, and competing on the basis of low cost and advantageous duty structures.

As a manufacturer, we need to

- Keep track of design trends worldwide to co-create products for our customers
- Deliver quality products consistently on time and in full, by building a highly efficient supply chain, to manage the large number of SKUs that we produce
- Relentlessly seek cost effective solutions, by accessing structural advantages through production in low cost locations
- Continuously improve on lead times for the market, as fashion cycles are shrinking, and production is happening closer and closer to the consumption period
- Adopt practises which are demanded by discerning global customers, like sustainability in the value chain.

Even though we have lived with COVID-19 for over 18 months now, there is still uncertainty about this ever-mutating virus. In April 2021, the State of Karnataka where the Company has most its manufacturing units, was hit by a severe second wave resulting in a stringent lockdown. The industry lost about 6-8 weeks of production time, forcing the industry to realign customer deliveries and incur additional operational costs.

In these dynamic circumstances, organisations that are more entrepreneurial deep down in its DNA, will be able to spring back from any setback and prosper in a new environment. It is important to embed entrepreneurial spirit in the organisation and make it risk tolerant - ideas bubble up faster if people are empowered to pursue them. I believe that it is my job to be the one who champions creative and entrepreneurial people and put them in charge, while focusing on removing the roadblocks, for them to operate optimally. I am mindful about not being personally vested with any initiative, to retain the ability to pull back, when required.

Gokaldas Exports has an exceptional team that is willing to rise to any new challenge and overcome it. The Company is focused on being a leading apparel manufacturer that is favoured by top global brands for its product capability, quality and consistency, with a strong commitment to sustainability, while delivering profitable year-on-year growth.

The Company has a strong order book and the outlook for the industry is positive. We are looking at commissioning new capacities to cater to the burgeoning orders in our pipeline. We recently commissioned a unit in Karnataka and are exploring more low-cost options within India to grow our manufacturing capacities, while remaining open to exploring cost effective manufacturing units outside India as well. The Company has the confidence and resilience to leverage these opportunities provided by the market and advance ahead.

In closing, I would like to share my gratitude to all our stakeholders. Your faith and belief in our Company empower and invigorate us to build a stronger and resilient business.

SIVARAMAKRISHNAN GANAPATHI
MANAGING DIRECTOR

THE IMPACT OF COVID-19 ON THE BUSINESS

Navigating the Crisis with Resilience

COVID-19 had a deep impact on the lives of the people across the globe. Economies and businesses alike suffered. While the early pandemic was a period of extreme suffering, the world began adapting to the situation as the year progressed and started making the best of it.

9%

DROP IN EXPORT SALES OF GOKALDAS EXPORTS LIMITED

BUSINESSES TOO HAD TO LEVERAGE THEIR EXISTING CAPACITIES AND CONTINUE DOING WORK WITH UTMOST CAUTION. IN INDIA, THE SECOND WAVE OF COVID-19 HIT IN THE FIRST QUARTER OF FY 2021-22. THIS BROUGHT FRESH CHALLENGES TO THE FOREFRONT AS THE COUNTRY WAS REELING FROM A DISASTER OF A HUGE MAGNITUDE.

SECOND WAVE OF COVID-19

At Gokaldas, our operations were impacted substantially. Our factories had to be shut down following Government directives, which led to a sgnificant loss of production. Moreover, the disruption in the supply chain due to the series of lockdowns, impacted our logistics and suppliers too. Inconsistent availability of workmen due to various health crises and restrictions in movement further added to our woes.

BUSINESS IMPACT

Gokaldas Exports has certainly been impacted by the COVID pandemic, as the business came to a complete halt in Q1 FY21. Production picked up by Q2 FY21 and further improved in Q3 FY21 and the Company was well on track to deal with the initial blows of the pandemic. The Company returned to full normalcy by Q4 FY21, only to see further disruption in Q1 FY22 with the onset of the second wave of the pandemic which also severely affected the supply chain.

ADHERENCE TO GOVERNMENT GUIDELINES

Keeping in line with Government rules and regulations regarding COVID-19 safety protocols, Gokaldas Exports took measures to curtail the spread of the virus within its facilities. The Company premises were closed to outside people to avoid any type of contact. The factories and offices were and are regularly sanitised, social distancing norms are followed. A dedicated help desk is in place, in order to provide assistance to its employees in the times of any emergency or need.

MEASURES TAKEN TO OVERCOME CHALLENGES

We foresaw the challenging times and believed that it is in the best interest that we spend prudently and protect our future and our employees in the long run. To that effect, the Company revisited its expenses, unproductive assets and limited spends wherever feasible. We also decided to not undertake any non-essential capital expenditure, unless required for production. The Company aims to judiciously spend on its operational expenses to minimise the financial impact. These measures will serve us well in the long run.

FINANCIAL IMPACT

Gokaldas Exports' overall export sales in FY21 dropped by 9%, which is significantly better than the 17% drop in apparel exports from India. Despite a drop in its revenue, we delivered a strong EBITDA margin of 11% for the year, as the EBITDA stood at ₹ 114 crores in FY21. The Company's PAT stood at ₹ 26.5 crores as compared to ₹ 10.4 crores in FY20. The overall revenues stood at ₹ 1,223 crores in FY21, registering a decline in revenue by 12%. Further, the Company's net debt reduced by ₹ 38 crores during the year to ₹ 166 crores.

With vaccination drive gaining momentum in major markets that Gokaldas exports to, the Company is witnessing a strong demand recovery, which is reflected in the strong order book for the quarters ahead.

17%

DROP IN APPAREL EXPORTS FROM INDIA

The Company commissioned a new unit in Tumkur, Karnataka in July 2021 which is expected to increase its production capacity. It has also initiated a new unit in Bhopal, Madhya Pradesh, which would commence production in April 2022.

We believe that our turnaround strategy and restructuring efforts have begun paying off, thereby delivering healthy growth.

BUSINESS MODEL

Our Value Creation Paradigm

At Gokaldas Exports, we supply quality apparel to some of the most prominent brands of the world. Our strong manufacturing capabilities coupled with our exceptional drive to do absolutely the best for our customers puts us in a favourable spot, thereby making us the preferred choice for all our customers' needs.

STRENGTHS

- Dedicated workforce
- Diverse product portfolio
- Strong global footprint
- Excellent customer relationships
- Robust financial health
- Integrated value chain
- Superior in-house capabilities

INPUTS

STRONG BALANCE SHEET

- Net worth: ₹ **290.1** crore
- Net block: ₹ **221.7** crore
- Cash Surplus: ₹ **52.1** crore
- Net debt: ₹ **166** crore

ROBUST MANUFACTURING CAPABILITIES

- Manufacturing experience: **42+** years
- **14** state-of-the-art sewing units
- Value-added service units: **5**
- Machines driving automation: **13,000+**
- Upcoming units: **2**

SKILLED WORKFORCE

- Employees: ~**24,000**
- Women employees: **80%** of the workforce
- Employee-focused development programmes

RESPONSIBLE INNOVATION

- Zero liquid discharge plant
- Rainwater harvesting
- Sweden Textile Water Initiative (STWI) projects

ACTIVITIES

SERVICES WE OFFER

- LAYING
- CUTTING
- SEWING
- CHECKING
- LABS
- WASHING
- IRONING
- FINISHING
- DESIGN
- EMBROIDERY
- PRINTING
- LASER
- FUSING
- SCRAPING
- QUILTING
- POLYFILL

OUTPUTS

- High fashion garments
- Outerwear
- Industrial workwear
- Healthcare garments
- Sportswear

OUTCOME

STRONG PERFORMANCE

- Total Income: ₹ **1,222.9** crore
- EBITDA: ₹ **113.7** crore
- PAT: ₹ **26.5** crore

SUPERIOR SERVICE AND DELIVERY CAPABILITIES

- Monthly production: **2.8** million pieces
- Annual capacity: **30** million pieces of garments per year
- Catering to brands in **50+** countries across six continents
- Long-standing relationships with customers globally

SUPPORTIVE WORKING ENVIRONMENT

- Improved people productivity
- Overall sustainable growth of the Company
- Reduced attrition rate

REINFORCED CORPORATE CITIZEN

- Reduced carbon footprint
- Waste reduction
- Water conserved: **25%-30%**

GROWTH ENABLERS

Value-added products, with focus on adding new products to its basket

Responsible corporate entity focused on sustainability

Increased focus on export markets, taking share from other countries

KEY PERFORMANCE INDICATORS

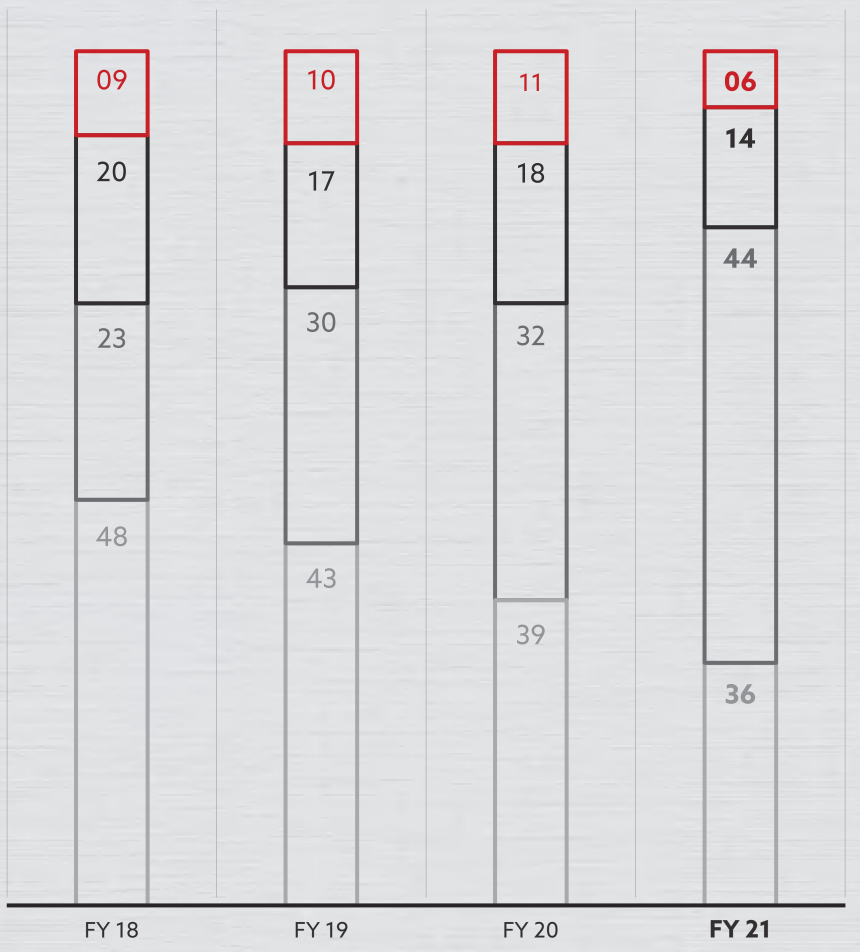
Performing against all odds

Gokaldas Exports has performed well in FY2020-21 even with the looming COVID-19 crisis in India. Even with manufacturing days being limited due to the multiple lockdowns, the Company has achieved its highest ever EBITDA ₹ 113.7 crore and EBITDA margin of 9.3%.

The Company witnessed the financial impact of COVID-19 in the first quarter of FY 2020-21, however, as the lockdown eased and production was restored the situation improved in the following quarters. The Company was able to release its pent-up order book and the margins and growth improved. Gokaldas Exports' strong resolve to remain focused and dedicated towards customer satisfaction enabled it to withstand the changing market dynamics.

PRODUCT CATEGORY SALES

Continuous growth in the outerwear segment is a positive sign for the business, as it balances the seasonality of the business and delivers better margin. The drop in sportswear contribution in FY2020-21 was because of reduced demand from key customers, which is expected to pick up in FY2021-22.



☐ Casualwear

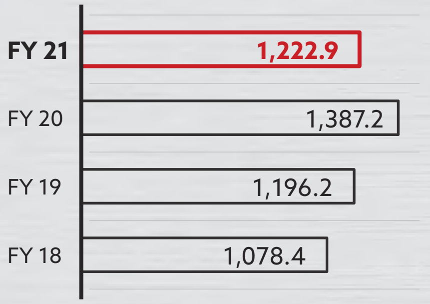
☐ Outerwear

☐ Bottomwear

☐ Sportswear

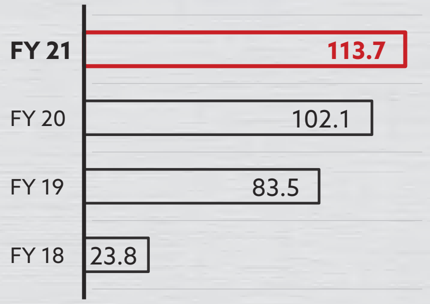
REVENUE

(₹ IN CRORES)



EBITDA

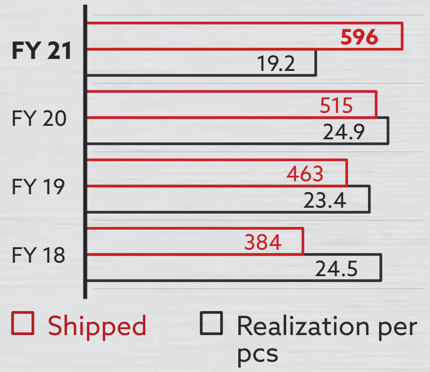
(₹ IN CRORES)



NUMBER OF PIECES SHIPPED AND REALISATION PER PIECE[1]

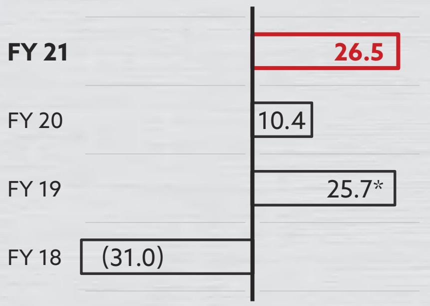
(QTY NOS. IN MILLION)

(REALIZATION PER PIECE IN ₹)



NET PROFIT

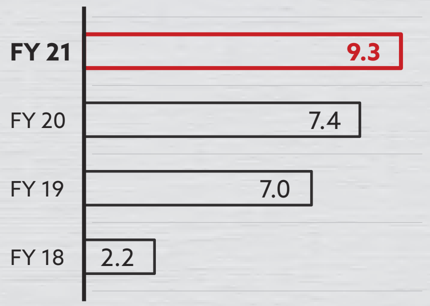
(₹ IN CRORES)



* Adjusted for 4% MEIS income of FY2018-19 reversed pursuant to the Government notification.

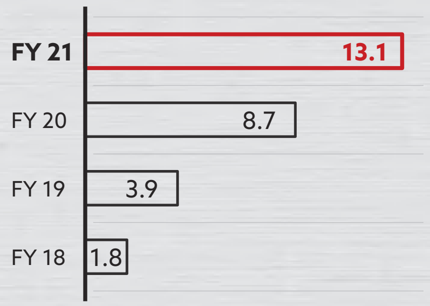
EBITDA MARGIN

(IN %)



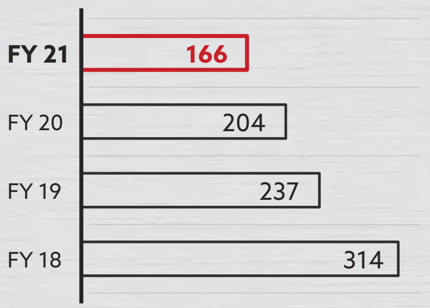
REVENUE CONTRIBUTIONS FROM CUSTOMERS ADDED IN THE LAST 4 YEARS[2]

(IN %)



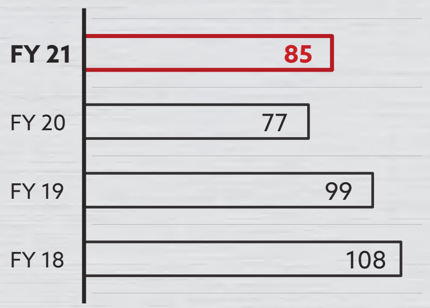
NET DEBT

(₹ IN CRORES)



WORKING CAPITAL DAYS

(IN DAYS)



- Working capital excludes cash & cash equivalents, lease assets and short-term borrowings.

NOTES:

1. *Growth in volumes coupled with increase in weighted average realization per piece has given a sustained revenue growth for the last 3 years which is encouraging for the Company. Volumes in FY2020-21 were impacted due to the pandemic.*

2. *Addition of scalable marquee clients over the years has immensely supported the growth of the Company.*

INTEGRATED MANUFACTURING FACILITIES

Leveraging Integration to Create Value across Business

At Gokaldas Exports, the guiding principle of our operations is to achieve excellence in everything we undertake. Our focus on delivering excellent quality products to our customers and to create an environment of innovation, is at the core of our business strategy. Our strength lies in our robust in-house capabilities which are equipped with the latest technologies.

LAYING

0.7 Ml/d

MODERN ETP WITH CAPACITY TO TREAT 0.7 MILLION LITRES/DAY

OUR STRONG IN-HOUSE CAPABILITIES

ROBUST **PRODUCT DEVELOPMENT AND SAMPLING** SET-UP

WORLD CLASS **DESIGN STUDIO** WITH 3D DESIGN CAPABILITIES

DESIGN STUDIO

IN-HOUSE TESTING LAB ACCREDITED BY GAP, H&M, ADIDAS, PUMA

INTEGRATED EMBROIDERY SET-UP

PNEUMATIC FIBRE FILLER FOR MAKING PUFFER JACKETS

POLYFILL MANUFACTURING USING THE LATEST TECHNOLOGY

QUILTING WITH A CAPACITY TO QUILT 15,000 METERS/DAY

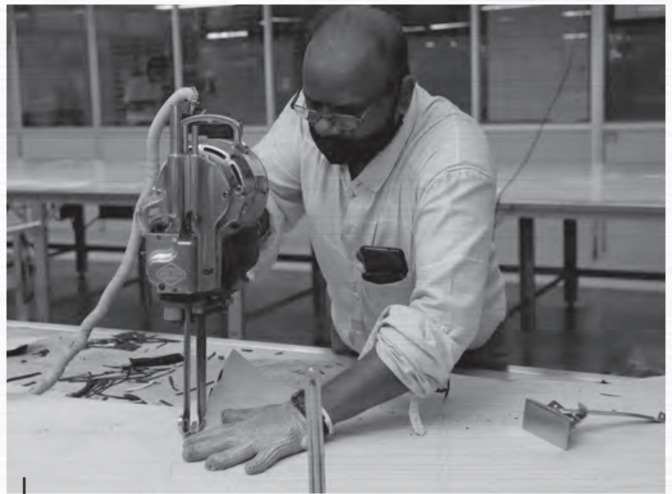
MODERN PRINTING SET UP WITH 12 STATE OF ART AUTOMATIC MACHINES FROM M&R-USA, AND TAS-AUSTRALIA

- Capacity of 43 million impressions/month
- Capability of printing multiple options on all types of fabric qualities

CAPABILITY TO EXECUTE INNOVATIVE WASH ON DENIMS & NON-DENIMS

- Combined capacity of 1,50,000 peices/day including garment dyeing and all kinds of dry processes
- Modern ETP with a capacity to treat 0.7 million litres/day
- Zero liquid discharge plant for washing

CAM



MANUAL CUT

QUALITY INSPECTION

LABEL INSPECTION

Over the years we have worked on improving our capacities, be it through capital expenditure for upgrading our infrastructure or through meticulous training of our employees. The Company's integrated manufacturing facilities have allowed it to be present across the entire value chain, thus also enabling it to cater to a variety of requirements of its customers. It is our firm belief that with our strong in-house capabilities, we are not only setting ourselves apart from our peers but we are also able to reach out to a larger base of customers.

INTEGRATED VALUE CHAIN

OUR PEOPLE

Empowering Our Human Assets

In a people-intensive business such as ours, the biggest asset is our people themselves and we make no compromise to provide them with the best of facilities and learning opportunities.

We strongly believe in an inclusive approach and are proud to have a large number of women employees. Our employees with the right amount of training & development and motivation tend to be more engaged and committed to the business ideals, delivering greater productivity. At Gokaldas Exports, we are proud of our employees.

We consistently provide our employees with learning opportunities, to enable them to grow within the organisation.

SKILL ENHANCEMENT TRAINING

LEADERSHIP DEVELOPMENT

SOFT SKILL TRAINING

SAFETY AWARENESS

WE CONSISTENTLY PROVIDE OUR EMPLOYEES WITH LEARNING OPPORTUNITIES, TO ENABLE THEM TO GROW WITHIN THE ORGANISATION.

EMPLOYEE SATISFACTION

RAJINI
SEWING OPERATOR

I have been working with Gokaldas Exports for the last 9 years. Last year I attended PACE, a 48 hour training program, spread across 6 months. This program helped me improve my communication and time management skills.

DEVAMMA DEVI
SEWING OPERATOR

I joined Gokaldas Exports in January 2021. I got the opportunity to go through a 10-days Supervisory Development Program. The program has technical, behavioral and on the job content which groomed me as a supervisor.

SALIM KHAN
PRODUCTION MANAGER

I started my career as a helper at Gokaldas Exports. I had a lot of growth here and got many learning opportunities. Today I am the Production Manager of an 1,800 workstation factory.

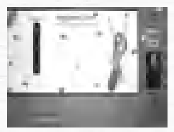
EMPLOYEE WELL-BEING

Gokaldas Exports believes in caring and nurturing its employees, and ensuring the best of facilities for them while at work. In an endeavour to bring the management closer to its employees the Company has taken several measures and has introduced initiatives for the same. The Company is extremely proud of its women employee strength and believes in providing them with a safe and healthy atmosphere to thrive in. These initiatives speak volume about what Gokaldas Exports stands for and also depicts its core values.

HERproject

HER Project

Our 'HER-Health & HER-Finance' modules aim to enhance the living standards and empower women to become self-reliant.



Automatic Sanitary Vending Machines

To ensure that the women in our factories have the best of facilities during their menstruation, we have installed automatic sanitary pad vending machines across all our locations. We have also amplified our efforts at spreading awareness about health and hygiene.

WOVO

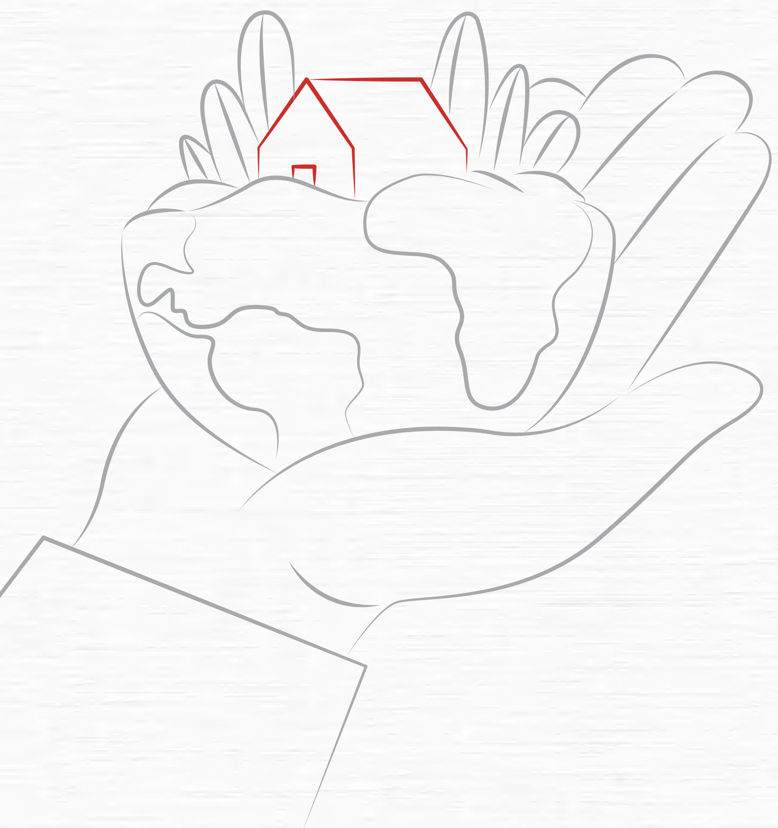
Workers' Voice (WOVO)

WOVO is a Corporate Communication service that allows us to have two-way anonymous communication with our workers and family members, thus improving our grievance redressal concerns at a faster rate.

CORPORATE SOCIAL RESPONSIBILITY

Growing with Our Communities

At Gokaldas Exports, we swear by the values of integrity and inclusivity. The communities we operate in, play a huge role in the success of our business and supporting them is our responsibility.

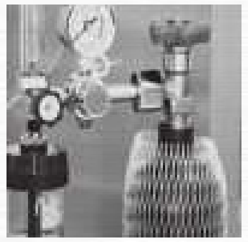


We have prioritised certain aspects for our social responsibility and we abide by them with the best of our intentions.

- Our commitment to leave this world better than we found it
- Our alignment with developmental priorities, both nationally and regionally
- Our impact driven engagement to ensure lasting changes
- Our engagement with specialised NGOs and other agencies to harness their deep experience and understanding of the social landscape
- Our belief in making initial investments, wherein a moderate engagement can translate into a disproportionately larger social impact
- Our focus on responsible engagement to enable our communities to become the master of their lives

The impact of the COVID-19 pandemic has been harsh and eye opening. Our communities and most parts of our country are reeling from a medical crisis and witnessing huge loss of lives. As a business with a strong backbone of values, we focused our efforts on ensuring the health and safety of our people and our communities.

THERMAL SCANNING



OXYGEN CONCENTRATOR

AMBULANCE FACILITY

HAND SANITISATION

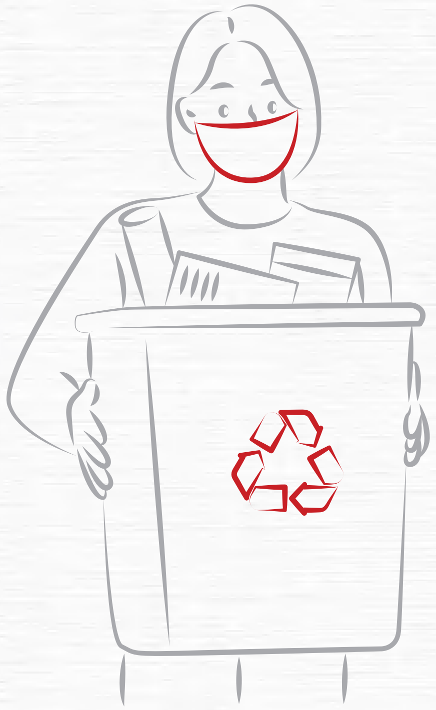
- Manufactured and distributed face masks and PPE kits in the districts where our manufacturing units are situated and to the family members of our employees
- Distributed masks, PPE kits to frontline workers including government hospitals
- Addressed the emergency needs of employees and people of the neighbouring communities, through the Company's 24X7 ambulance service
- Contributed to PM Cares fund to support the nation during the pandemic
- Donated a cycle stand to Government school in Doddaballapur, near our manufacturing unit
- Conducted a number of blood donation camps, eye camps, vendor health check-up camps, for the benefit of employees and neighbouring communities

ENVIRONMENT, HEALTH AND SAFETY

Committed to Conserve and Preserve

At Gokaldas Exports, we are committed to reducing our environmental footprint by investing in resource conservation and efficiency across water, energy and chemical waste. Our 4 pronged approach to sustainability consisting of reduce, replace, recycle and restore has proved to be very effective. We are committed to protect our environment by minimising our pollution load and through improved operational control programs.

With periodic third party audits of our chemical consumption we were able to strengthen our operating standard and stakeholder confidence. We enrolled all our factories in the Higg FEM 3 standard and stood best in the industry, thus consistently improving on our environmental performance year-on-year. Under this standard, the Company gets evaluated by a third party annually. Additionally, our raw materials are sourced through Organic and Higg FEM 3 certified suppliers only.



RESTORE

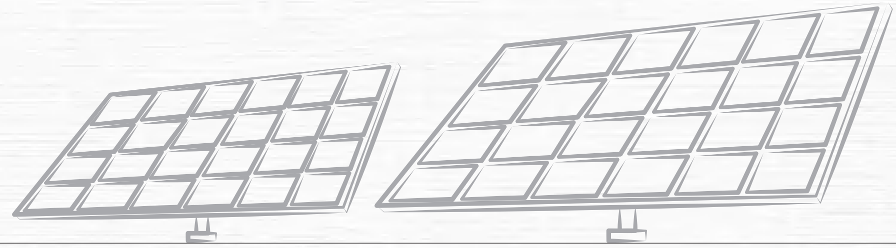
- On the occasion of "World Environment Day" observed on 5th June every year, the Company undertakes afforestation activities to restore greenery
- Emphasis on rain water harvesting projects to enhance rainwater collection and reuse

RECYCLE

- Use of 100% non-hazardous chemicals in our laundry and printing units. As a member of ZDHC (Zero Discharge of Hazardous Chemical), all our chemical consumption levels need to be declared upfront on the ZDHC gateway thus maintaining a high level of transparency
- Water recycling unit at our washing facility
- Solid waste sent for recycling
- By-products disposed to vendors for onward reuse in the cement industry

REDUCE

- Replacement of oil and fossil fuels with organic biomass
- Installed e-Flow washing machines at our laundry facilities to reduce water consumption thereby reducing waste water generation and chemical consumptions
- Managed to reduce wastage of fabric with improved design and plotting operations
- Installed variable frequency drives in compressors to reduce energy consumption
- Energy reduction by 5% thereby reducing carbon footprint. Diesel consumption reduced by 11% thereby reducing pollution load



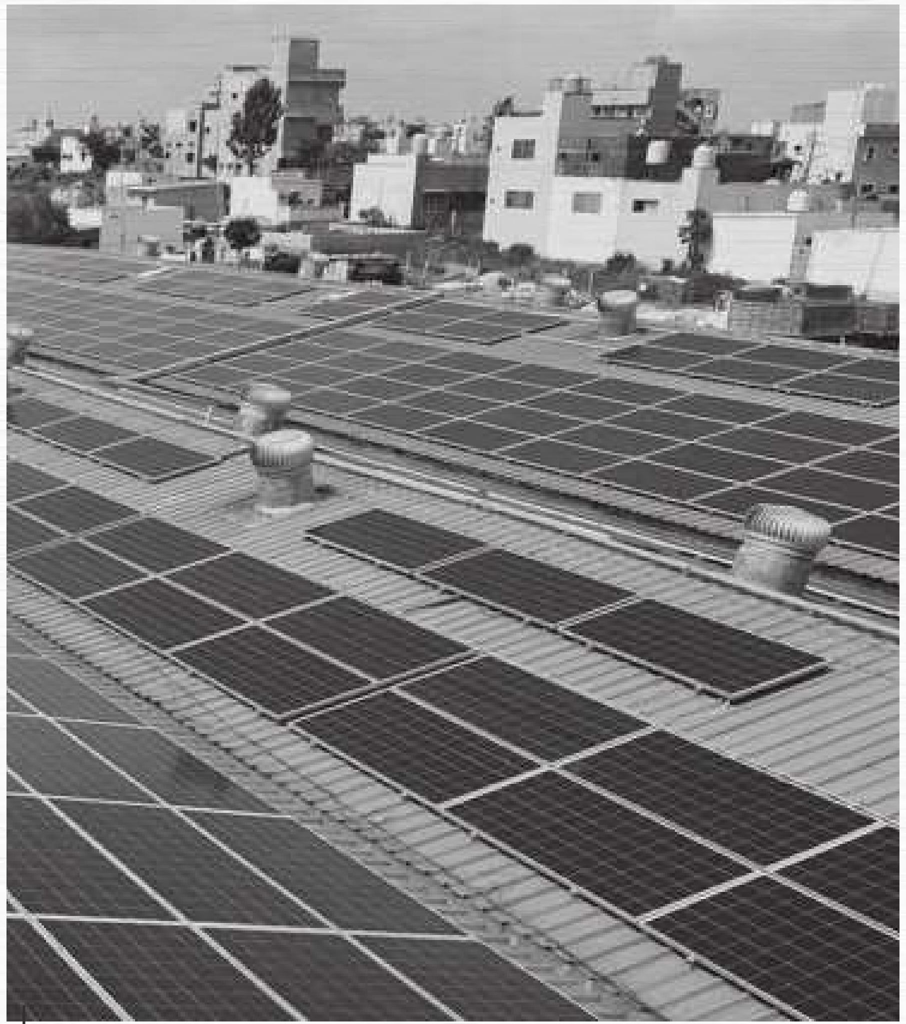
RENEWABLE

- As a green initiative, we have successfully installed and commissioned a 400 kWp rooftop solar panel at one of our manufacturing units. Approximately 384 Tons of CO_2 is being offset and excess power generated is being sent to the grid

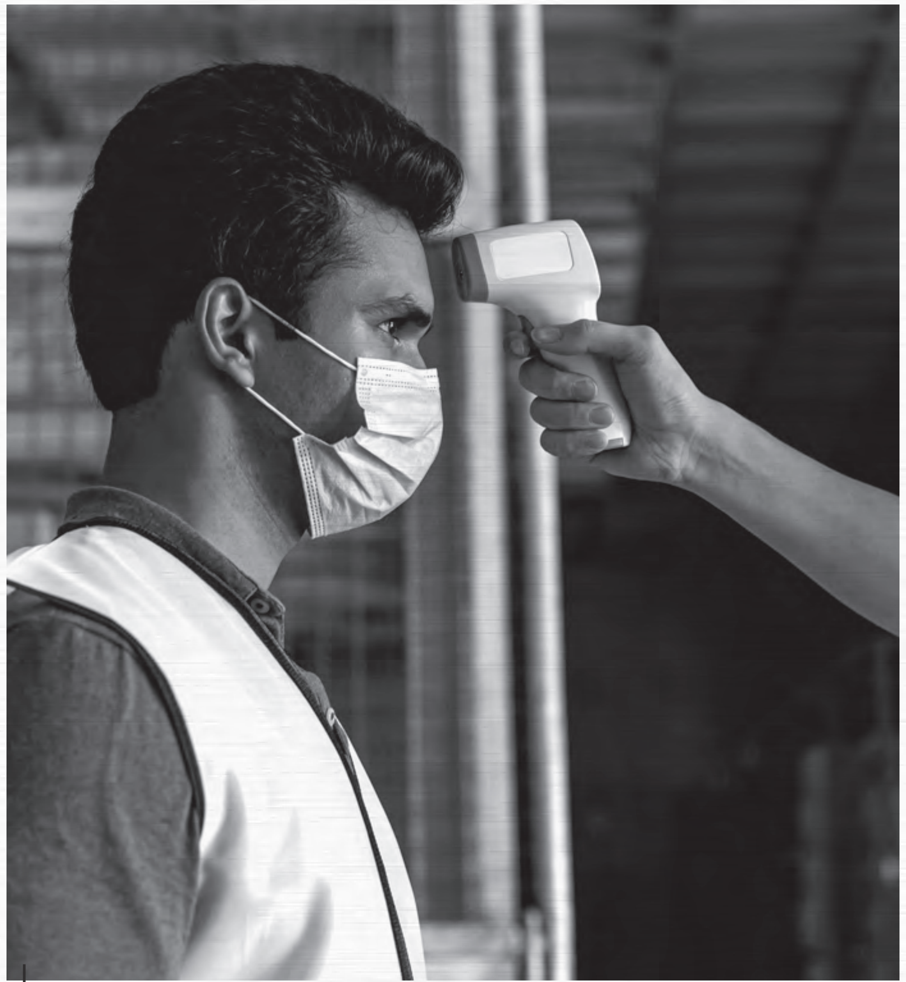
400 kWp

COMMISSIONED A 400 kWp ROOFTOP SOLAR PANEL

ROOFTOP SOLAR



ROOFTOP SOLAR- MYSORE UNIT



THERMAL SCANNING AT ENTRY

HIGH STANDARDS OF SAFETY

In FY2020-21, we achieved zero reportable accidents, which is the culmination of the efforts taken by the Company to reduce hazards and risks. The Company is committed to high standards of safety for its employees and to improve the health conditions of our employees at work, we built ergonomically compliant workstations with Improved lighting conditions and cross ventilation. Additionally, we have provided 2,000 hours of health and safety training to all our employees to minimise risks at the workplace. We ensured that the factory was disinfected on a regular basis, and that common touchpoints were disinfected every two hours. We also took the initiative to conduct COVID19 testing on our employees and educate them on the importance of getting vaccinated against the virus. A vaccination drive for our employees was organised by our team members in collaboration with local health departments.

DISTANCING AT GARMENT CAD OPERATION

2,000 hrs

CONDUCTED 2,000 HOURS OF HEALTH AND SAFETY TRAINING FOR OUR EMPLOYEES

STANDARDS AND CERTIFICATIONS

Global Recycled Standard | Recycled 100 claim standard | BCI Better Cotton Initiative | Global Organic Textile Standard (GOTS) | BSCI | Organic 100 content standard

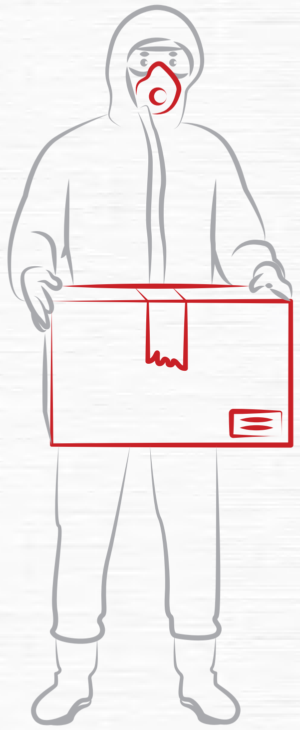
SANITATION AT EACH FACILITIES

COVID-19 HEALTH AND SAFETY PRECAUTIONS

At Gokaldas Exports, we prioritise the safety of our people. Our proactive approach towards the pandemic led us to create an aware workforce even before the national lockdown was announced. Our guidelines enabled a safe and sanitised workplace and workforce. Even upon resumption of operations post nationwide lockdown, there were no compromises made to social distancing norms and hygiene measures. We even provided hot water dispensers at all facilities to provide safe and clean drinking water to our employees.

Our Covid Samvada which consisted of periodic podcasts by resident doctors was circulated across our manufacturing facilities. We attempted to enhance awareness about COVID-19 through the use of engaging content. We even switched from a biometric system of attendance to a contactless alternative to ensure safety.

WORK STATION PARTITIONING



Management Discussion and Analysis

GOKALDAS EXPORTS HEAD OFFICE

GLOBAL TEXTILE AND APPAREL INDUSTRY

The global textile and apparel trade has grown at a CAGR of 4% since 2005 to reach US$ 839 billion in 2019, and is expected to reach US$ 1 trillion by 2025, growing at a CAGR of 3%. Apparel dominated textile and apparel trade with a 58% share in the overall trade value, followed by fabrics with a share of 19%. China, a dominant player in the world, continued to lose its share from 39% in 2015 to 34% in 2019 in textile trade. At a distant second and third position are Vietnam and Bangladesh at 5% share each.
(Source: Indian Textile and Apparel Industry Wazir, 2021)

LEADING TEXTILE AND APPAREL EXPORTERS (2019)

(VALUE IN US $BN)

Country	Exports			Share (%)
	Textile	Apparel	Total	
China	134.6	149.9	284.5	34%
Vietnam	10.2	33.7	43.9	05%
Bangladesh	01.8	40.9	42.7	05%
Germany	15.5	23.8	39.3	05%
India	20.2	16.2	36.4	04%
Italy	12.8	23.6	36.4	04%
Turkey	12.2	16.1	28.2	03%
USA	21.7	05.2	26.9	03%
Spain	05.0	14.3	19.3	02%
France	05.6	12.0	17.6	02%
RoW	117.2	146.3	263.5	31%
Total	356.8	481.9	838.7	

Source: Indian Textile and Apparel Industry Wazir, 2021

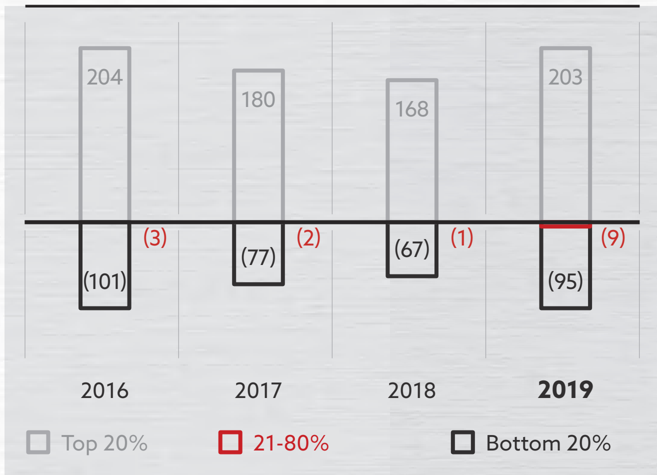
LONG-TERM STRUCTURAL TRENDS IN GLOBAL APPAREL INDUSTRY

Increasing Concentration: Strong brands will get stronger

The fashion market has witnessed an increase in value terms during pre-pandemic years. This value is increasingly cornered by a select few global brands with rising concentration in the economic profit pool. As per McKinsey Global Fashion Index (MGFI), top 20% of brands account for 203% of total industry profit, with bottom 20% accounting for -95% and remaining contributing around -9%. Further, the share of value destroyers to value creators has been on the rise over a decade, and the pandemic might continue to push it further to reach 73% in 2020 indicating strong brands getting stronger.
(Source: Mckinsey State of Fashion, 2021)

FASHION COMPANIES ' CONTRIBUTION TO INDUSTRY ECONOMIC PROFIT BY RANKED QUINTILE

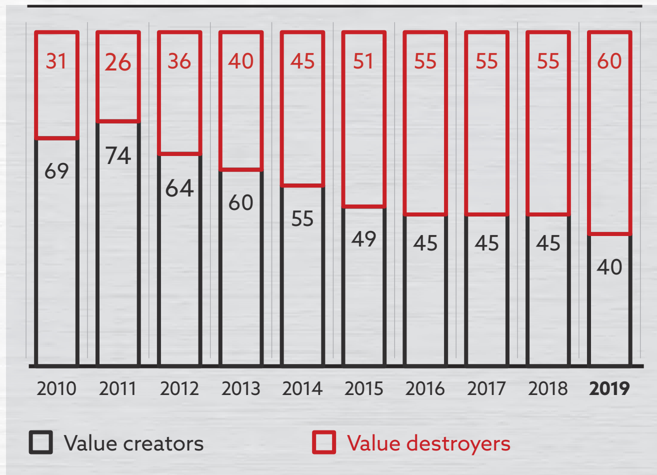
(IN %)



Source: Mckinsey State of Fashion, 2021

VALUE CREATORS VS VALUE DESTROYERS PER YEAR

(IN %)



Source: Mckinsey State of Fashion, 2021

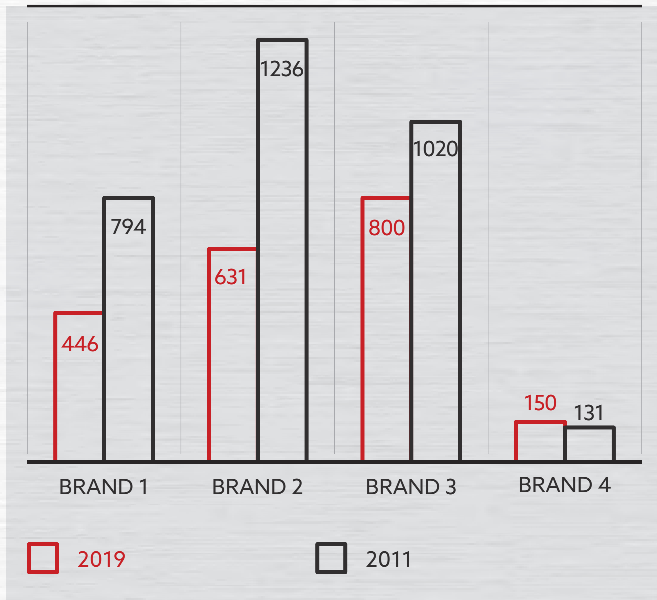
Consolidation of Suppliers

Industry leading fashion brands have consolidated their supplier base over a decade and it remains a long-term strategy and extends to coordinating new factory investments with familiar manufacturers.
(Brands in the chart refers to the top five brands as per the source: The post-COVID-19 garment industry in Asia, July 2021.)

This consolidation would be more towards large, vertically integrated supplier groups which would be able to provide additional elements of product design and development, inventory management, stock holding, logistics, factory selection and multi-factory production planning.
(Source: The post-COVID-19 garment industry in Asia, July 2021)

INCREASING SUPPLIER CONSOLIDATION

(IN NO'S)



Source: The post-COVID-19 garment industry in Asia, July 2021

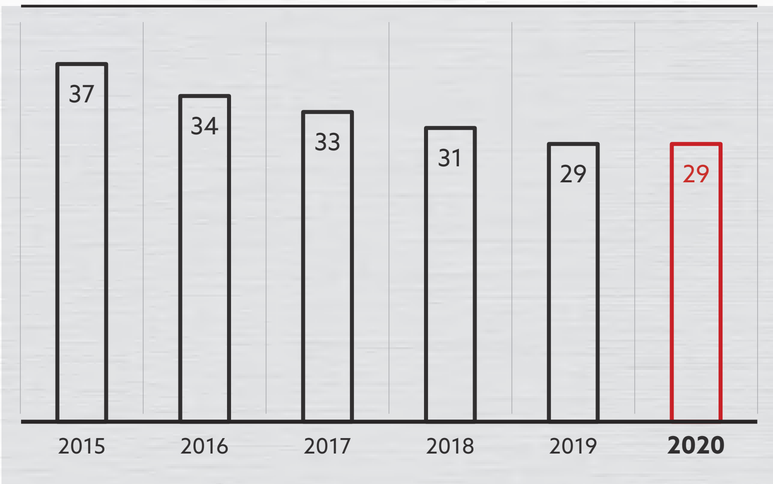
China's losing export market share

The brands are increasingly seeking to minimize their sourcing exposure towards China. It was initiated with rising labour costs and accelerated since 2017, due to US-China trade disputes and import tariffs. Further, the ban on the products manufactured by forced labour among Uyghurs in Western China, will only increase the shift away from China.

(Source: WTO)

CHAINA'S APPAREL EXPORT SHARE IN WORLD APPAREL EXPORTS

(IN %)



Source: WTO

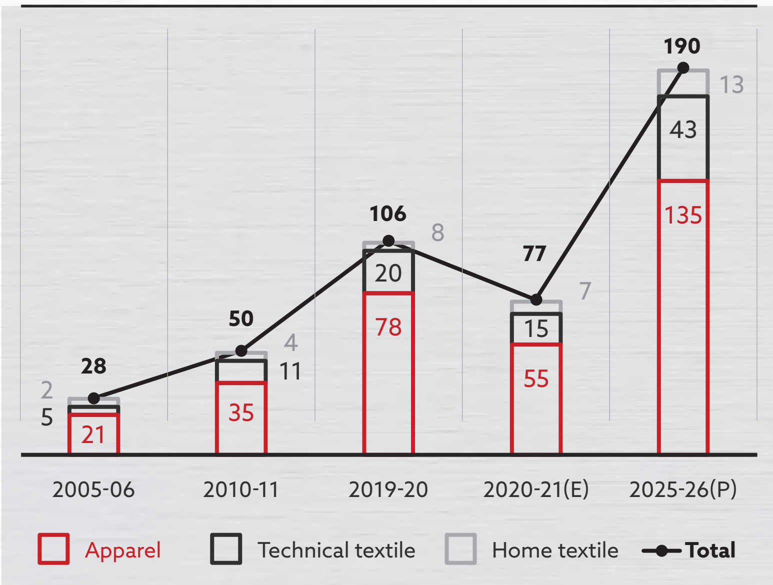
INDIAN TEXTILE AND APPAREL INDUSTRY

Indian textile and apparel industry experienced the impact of COVID-19 pandemic like any of its global counterparts. Domestic textile and apparel market is estimated to have declined by (-) 30% in fiscal 2021 to US $ 75 Bn compared to US $ 106 Bn in fiscal 2020. Textile exports in total is estimated to have declined by (-) 15% to reach US $28.4 Bn in FY2020-21 compared to US $ 33.5 Bn in FY2019-20. The pandemic induced shutdown was implemented across the industries, and textile and apparel industry were no exception to this rule. Domestic textile and apparel industry faced a range of challenges across the year - slump in retail sales, logistical disruptions, manufacturing shutdown and cancellation of orders. However, one exception was that few manufacturers were allowed to operate factories to meet the country's domestic PPE needs. Post easing of the lock downs industry continued to face issues like input supply squeeze and labour shortages. The pace of recovery also varied across the apparel categories mostly from low demand of occasional wear and formal wear, towards increased demand of casual wear, loungewear and inner wear due to the work from home culture.

(Source: Mckinsey State of Fashion, 2021)

INDIAN DOMESTIC TEXTILE & APPAREL MARKET

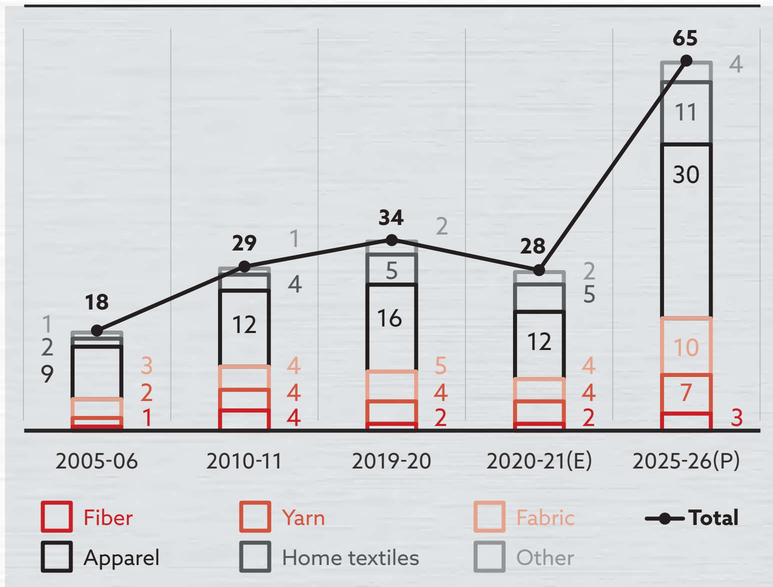
(US $ BN)



Source: Mckinsey State of Fashion, 2021

INDIAN TEXTILE & APPAREL EXPORTS

(US $ BN)



Source: Indian Textile and Apparel Industry Wazir, 2021

The Indian domestic fashion consumption is anticipated to reach US$ 190 Bn in 2026, at nearly 10% CAGR growth. On the exports front, Indian textile and apparel exports are expected to grow at 12% CAGR, to reach US $ 65 Bn by 2026, with apparel exports continuing to have a dominant share of nearly 46% among the total textile exports.

(Source: Indian Textile and Apparel Industry Wazir, 2021)

Domestic Trends

Demand revival in key western markets, and the US-China trade dispute could augur well for India. India's textile and apparel exports are expected to revive, as key apparel exports markets are witnessing a bounce back in the demand post-pandemic, mainly due to government fiscal support, vaccination drive and pent up consumer demand.

DEVELOPMENTS IN THE INDIAN TEXTILE AND APPAREL INDUSTRY

India's advantage from the sectoral growth drivers

- **Abundance of raw materials**
  India is the largest producer of jute and cotton and the second-largest producer of silk. Due to the high abundance of raw materials and cheap labour costs, the cost of manufacturing textile and apparel is significantly lower than many other competing countries.

- **A growing young population**
  India has one of the world's largest young populations and the median age is estimated at around 28 years, which is younger than most large countries. This age group is one of the biggest consumer groups of textiles and apparel, therefore it is expected to drive consumer sentiments.

- **Advent of e-commerce**
  Online shopping and e-commerce has finally picked up in India. This segment witnessed strong growth patterns, and it enables the industry to reach a larger base of consumers more effectively. Consumers these days base their shopping choices on ease of shopping, multiple options, better discounts and easy return policies.

- **Change in consumer behaviour pattern**
  Due to a shift in consumer buying habits and awareness generation through social media, consumers are now purchasing more aspiration-based clothing than need based clothing. Though basic textiles continue to represent a part of the consumer's basket, the demand for aspirational clothing has increased significantly in recent years.
  (Source: Televisory, Business Wire)

Indian Government policy support

- **RoSCTL to Continue till 2024**
  Indian government's recent announcement to continue the Rebate of State and Central Taxes and Levies (RoSCTL) scheme till 2024, provided major relief to export companies. Such policy stability clears the uncertainty and encourages the Indian exporters to increase their investment, thereby generating employment among the masses.

- **PLI Scheme for MMF**
  The announcement of the Production Linked Incentive (PLI) Scheme targeted at MMF and Technical textiles with an estimated outlay of ₹ 10,683 crore, will help improve India's presence in MMF, as it dominates 70% of global textile fiber consumption.

- **MITRA**
  In its efforts to increase investment and create a large textile ecosystem within the country, the government in the union budget 2021-22 announced the Mega Integrated Textile Region and Apparel (MITRA) Parks Scheme. It plans to establish seven such parks with state-of-the-art facilities, common utilities and R&D labs over a period of three years.

THE COMPANY' PRODUCT OVERVIEW

Gokaldas Exports Limited prides itself in its ability to produce new designs and samples, and execute the designs developed by its customers. The Company has positioned itself as a multi-product global enterprise with a diverse mix of apparel, which caters to consumer needs, both in international and domestic markets. The composition of the product portfolio is depicted below.

PRODUCT CATEGORY

(IN %)

	FY19-20	FY20-21
Women	40.0	41.0
Men	48.0	49.0
Kids	11.0	9.0
Others	1.0	1.0

PRODUCT MIX

(IN %)

	FY19-20	FY20-21
Jackets	36.0	40.0
Pants	21.0	15.0
Tops/Shirts	42.0	44.3
Others	1.0	0.7

RISK MANAGEMENT

External risk factors

- The Company derives a significant portion of the revenue in USD and is exposed to risks related to foreign exchange rate fluctuation. In any case, it has a defined foreign currency risk management policy to manage such risks and its impact.
- Changes in regulations or applicable Government incentives could adversely affect the operations and growth prospects. For example, the Company was entitled to export incentive by way of RoSCTL of about 3.5%, which was replaced by a new incentive under RoDTEP effective from 1st Jan 2021. The rate of which was still to be notified as of 31st March 2021. As a result, the Company had to under-recognize an export earnings of ₹ 4.3 crore for the last quarter of the financial year. With the subsequent announcement of continuation of RoSCTL at current rates till FY2023-24, this is no longer a risk factor. However, any change in regulation could adversely affect the profitability of the Company.
- Majority of the Asian countries have free trade agreements with the large consumer markets of the EU, which makes them more competitive than India for exports to the EU.
- Increase in input cost, such as yarn price, wage costs and rising inflation could cause a decline in the Company's profitability. The Company prepares and makes adequate plans well ahead of the event to reduce the impact of such risks.

Internal risk factors

- The Company's business has been heavily dependent on export and any reduction in the consumer base of international customers could affect profitability. The Company has recognised this risk and has diversified its customer base to the US, EU and Asia.
- The Company depends on timely receipt of its supply of raw materials from overseas markets. Any delay in receiving raw materials could adversely impact the delivery timeline. The Company mitigated these risks by building a lasting relationship with suppliers over the years, thus ensuring better retention coupled with better credit management and block booking of materials.
- The apparel manufacturing market is highly dynamic and success is dependent on anticipating consumer preferences or industry changes. The Company's strength lies in identifying these changes and quickly modifying its products based on customer preferences and changing market scenarios. Successful implementation mitigates this risk.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company believes that its competitive advantage lies with its people. The people bring their enhanced expertise, multi-sectoral experience and technological knowledge to support the Company.

The structure of the Company is designed to break away from obsolete hierarchy and the aim of the Company is to promote competitiveness and individual growth. All decisions of the Company are in line with the personal and professional goals of its employees, thereby achieving an ideal work-life balance and enhancing their pride of association. The employee count of the Company stood at 23,467 as on March 31, 2021.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems for financial reporting and the control systems are working effectively. The delegation of authority is clearly spelt out with policies and procedures which are clearly documented. The Company has appointed an independent internal auditor who monitors and reviews transactions independently and reports directly to the audit committee consisting of entirely independent directors, on a quarterly basis.

The internal auditor conducts audits on all key business areas as per a pre-designed audit plan. They review and present reports on the systems and procedures in place, for internal control at various departments. They perform an independent assessment of the functioning of compliance procedures set under various statutes. All significant audit observations and follow-up actions are reported to the audit committee along with the internal audit report and management response. The minutes of the audit committee are reviewed by the Board.

FINANCIAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act. 2013, and in conformity with the Indian Accounting Standards (IndAS) prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended and other accounting principles generally accepted in India.

ANALYSIS OF THE PROFIT AND LOSS STATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

Revenues: The Company's total income was ₹ 1,222.94 in FY2020-21 compared to ₹ 1,387.22 crore in FY2019-20 crore. Revenues from operations reported a 11.7% de-growth from ₹ 1,370.95 crore in FY2019-20 to reach ₹ 1,210.73 crore in FY2020-21, due to the slowdown in the business induced by the COVID-19 pandemic. Other incomes of the Company accounted for a 1% share of the Company's revenues, reflecting the Company's dependence on its core business operations.

Expenses

Total expenses (excluding interest and depreciation) of the Company reduced by 13.7% from ₹ 1,285.13 crore in FY2019-20 to ₹ 1,109.24 crore in FY2020-21. Raw material costs, accounting for a 49.5 % share of the Company's revenues, decreased by 12.6 % from ₹ 691.95 crore in FY2019-20 to ₹ 605.04 crore in FY2020-21, owing to a decrease in the operational scale of the Company due to the COVID-19 pandemic. Employees expenses decreased by 20.5 % from ₹ 467.42 crore in FY2019-20 to ₹ 371.56 crore in FY2020-21, due to lesser manpower in the production units. During the year, the Company has taken several cost control measures to reduce the severe impact of the pandemic on the profitability aspects of the Company.

ANALYSIS OF THE BALANCE SHEET

Sources of funds

- The capital employed by the Company increased by 5.4% from ₹ 629.70 crore as on 31st March, 2020 to ₹ 663.68 crore as on 31st March, 2021, owing to an increase in capital expenditure towards modernisation and upgradation of technology, plant and machineries at factories. The return on investments from such expenditure has reflected an improvement in productivity in the operations. Return on capital employed, a measurement of returns derived from every rupee invested in the business, increased by 170 basis points from 7.5% in FY2019-20 (excluding exceptional income) to 9.2% in FY2020-21, due to better management of assets and working capital.
- The net worth of the Company increased by 28.0% from ₹ 226.61 crore as on 31st March, 2020 to ₹ 290.07 crore as on 31st March, 2021, owing to an increase in profit as well as an increase in hedge reserves, arising from effective portion of gain and loss on hedging instruments from mark to market. The Company's equity share capital comprising 4,28,25,663 equity shares of ₹ 5 each as of 31st Mar-2020 increased to 4,28,95,663 equity shares of ₹ 5 each, due to issue of RSU during the year under review.
- During the year under review the Company has taken long term debt of ₹ 50.13 crore, out of which ₹ 45.26 crore (including Current Maturities of ₹ 26.42 crore) is outstanding as on 31st March, 2021. The short-term borrowing of the Company is reduced by 18.2% from ₹ 390.95 crore as on 31st March, 2020 to ₹ 319.95 crore as on 31st March, 2021. Net debt-equity ratio of the Company stood at 0.57 in FY2020-21 compared to 0.90 in FY2019-20.
- Finance costs of the Company decreased by 6.4 % from ₹ 36.82 crore in FY2019-20 to ₹ 34.46 crore in FY2020-21 following the repayment of Borrowings. The Company's interest cover remained flat as in the previous year, 1.8x in FY2019-20 to 1.8x in FY2020-21.

Applications of funds

- Fixed assets (gross) of the Company increased by 10.9% from ₹ 200 crore as on 31st March, 2020 to ₹ 222 crore as on 31st March, 2021, owing to an increase in investment on plant and machinery. Depreciation on fixed assets (Excluding Right of use assets) increased by 9.8 % from ₹ 25.00 crore in FY2019-20 to ₹ 27.46 crore in FY2020-21, owing to an increase in fixed assets during the year under review.

Working capital management

- Current assets of the Company decreased by 0.55% from ₹ 562.86 crore as on 31st March, 2020 to ₹ 559.78 crore as on 31st March, 2021, which contributed to better realisation of export incentives. The current and quick ratios of the Company was 0.88 and 0.43, respectively in FY2019-20 and 1.00 and 0.53, respectively in FY2020-21.

- Inventories including raw materials, work-in-progress and finished goods among others reduced by 10.39 % from ₹ 289.24 crore as on 31st March, 2020 to ₹ 259.20 crore as on 31st March, 2021. Trade receivables have increased by 25.30% from ₹ 143.53 crore as on 31st March, 2020 to ₹ 179.84 crore as on 31st March, 2021.

KEY RATIOS

Financial Ratios	FY19-20	FY20-21
Debtor Turnover Ratio	8.4	7.1
Inventory Turnover Ratio	4.6	4.2
Interest Coverage Ratio	1.83	1.77
Current Ratio*	1.25	1.26
Debt Equity Ratio	0.90	0.57
Operating Profit Margin	3.4%	5.0%
Net Profit Margin	2.2%	2.2%
Return on Net Worth	13.0%	10.3%

*Current Ratio adjusted for fixed deposit held against borrowings.

OUTLOOK FOR FY2021-22

Indian textile export is at the threshold of a strong growth, on the back of a vibrant retail stores and e-commerce demand in key markets like the USA and Europe, which is leading to a growth in apparel imports by these regions. With China's export share on a decline, the opportunity for India is ripe. India's share thus far has been small in the global apparel trade. With large brands realigning their supply chain to de-risk from the effect of COVID-19, and looking at a more balanced approach for sourcing, this could prove to be an excellent opportunity for Indian exporters.

Moreover, the Indian government has announced continuation of RoSCTL up to FY2023-24, which provides clarity to exporters and pushes for growth in the sector over a longer-term period. Additionally, the PLI scheme could boost growth in the industry as well.

The Company has a strong order book and is in the process of augmenting its capacity over the near term, to meet demand and clear backlog of production from the first quarter of FY2021-22. The Company anticipates a substantial revenue growth in FY2021-22 in line with these trends.

CAUTIONARY STATEMENT

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate, or will be realised as actual results, since performance or achievements could differ materially from those projected in any such forward- looking statements.

Statutory Reports

40 Corporate Information

41 Board's Report

60 Business Responsiblity Report

67 Corporate Governance Report

Corporate Information

REGISTERED OFFICE
No. 25, Second Cross, Third Main,
Industrial Suburb, Yeshwantpur
Bangalore - 560 022, Karnataka.

CHIEF FINANCIAL OFFICER
Sathyamurthy A.

COMPANY SECRETARY
Ms. Shrithee M S.

STATUTORY AUDITOR
MSKA & Associates
Chartered Accountants.

INTERNAL AUDITOR
G Balu Associates LLP
Chartered Accountants

BANKERS
Canara Bank
Union Bank of India
RBL Bank
IndusInd Bank

REGISTRAR AND SHARE TRANSFER AGENTS
KFin Technologies Private Limited
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032, Telangana

Board's Report

Dear Members,

Your Directors' have pleasure in presenting the Eighteenth Annual Report on the business and operations of the Company ("Gokaldas Exports Limited" or "GEX" or "Company"), together with the audited standalone and consolidated financial statements for the Financial Year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2021 are summarized below:

(₹ in crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	1,209.32	1,367.91	1,210.73	1,370.95
Other Income	12.08	16.20	12.21	16.28
Profit before interest, tax and depreciation	112.70	123.25	113.70	122.03
Profit before tax	**26.30**	**32.36**	**26.62**	**30.39**

COMPANY'S PERFORMANCE

The year 2020-21 was challenging, yet quite eventful. The impact of the COVID-19 was being felt by all businesses around the world and the year passed by with the Company addressing a broad range of interrelated issues spanning from customer relationship management to employee safety, shoring-up cash, liquidity and reorienting operations. Your Company was severely tested by COVID-19 when closures of stores in major markets and enforced factory shutdowns in India and other producing countries resulting in a volatile order flow, disrupted supply chain claiming a toll on the financial health of most companies. As we exited FY2020-21, we also witnessed the second wave of pandemic and its acute impact on thousands of lives and the businesses.

On the business front, your Company weathered the pandemic well amid persisting challenges starting from order cancellations and realignments to payment deferral and operations closure. Added to this, there was pricing pressure as global orders were far lower than global supply. In response, we managed to cut costs significantly, rationalized our capacity, streamlined operations through sheer agility and ramped up our order book.

On a consolidated basis, revenue for the year was ₹ 1223 crores, down by 11.8% over the previous year. Despite the impact of COVID-19 on the business, your Company contained YoY exports revenue decline to 8.8%, In contrast, India's apparel exports registered a decline of 17.4% in FY2020-21 compared to FY2019-20.

During this pandemic impacted year, your Company streamlined its operations to become more efficient, reduced unproductive costs and ensured better utilization of available capacity. Due to COVID-19 impact on its customers, the Company had to provide for an expected credit loss of ₹ 8.1 crores. Your Company generated EBITDA of ₹ 114 crores compared to ₹ 102 crores in FY2019-20 (excluding exceptional items), giving a YoY growth of 11%.

Your Company has delivered an EBITDA margin of 9.3% compared to 7.4% in the FY2019-20. It has delivered a net profit after tax of ₹ 26 crores and on a like-for-like basis, it has grown by 154% compared to the FY2019-20 as the net profit excluding exceptional items was ₹ 10.4 crores in FY2019-20. This was certainly a creditable performance considering the continuing COVID-19 challenges.

Your Company has given a better return on capital employed through a superior working capital management and also managed to reduce the net debt by ₹ 38 crores during the year keeping the net debt at ₹ 166 crores compared to ₹ 204 crores as of March 31, 2020. The net debt to equity is 0.57 in FY2020-21 compared to 0.90 in FY2019-20. Your Company's long-term strategic objective is to create value for its shareholders, employees, business partners by delivering quality products, excellence in the customer relationship and will continue to remain focused on these initiatives for sustainable and profitable growth.

BUSINESS ENVIRONMENT

It is one year since the COVID-19 was declared as a global pandemic. The impact of COVID-19 and its effect is far from over and is still being felt across the world. The Global textile industry is witnessing a significant change and is adapting to this new reality. On the consumer front, in-store spending was depressed over the year and a clear shift of preference towards online purchases was evident. The fashion brand/ retailers were forced to make key business model decisions centered on adapting digital capabilities to improve their Omni-channel presence.

Indian textile industry was also impacted due to the COVID-19 pandemic. The industry faced a range of issues from complete manufacturing shutdown, cancellation of orders and logistical disruptions. However Indian textile industry is poised to benefit from the structural changes both on the global and domestic front. On the global front, increased attention on forced labour in Xinjiang province of China by the major countries like US & others and restriction on imports of the cotton products using the raw material originated from this region can hugely benefit Indian cotton value chain. In addition, steps like the recent German Supply Chain Due Diligence Act, effective January 1, 2023 and the potential Supply chain legislation at the EU level will only enhance the focus of sourcing towards large compliant companies. On the domestic front, the stable policy regime like the recent announcement by the Central Government to continue the Rebate of State and Central Taxes and Levies (RoSCTL) up to the year 2024, the upcoming centre's textile PLI scheme for the MMF & Synthetics and the incentives offered by the various Indian states to attract the textile investment will kick start the virtuous cycle of growth.

DIVIDEND

No dividend has been recommended by the Directors for the year.

TRANSFER TO RESERVES

No amount is transferred to the Reserves.

LIST OF SUBSIDIARIES

Your Company has 3 subsidiary companies. The names of these companies are as follows:

i. All Colour Garments Private Limited

ii. SNS Clothing Private Limited

iii. Vignesh Apparels Private Limited

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the financial statements of the Subsidiary Companies in Form AOC-1 is given as Annexure I to this report, In view of the above the Audited Financial Statements along with the reports of the Board of Directors and the Auditors pertaining to the above subsidiaries have not been attached to this Report. The Financial Statements of the said subsidiaries will be kept for inspection at the registered office of your Company. Investors who want to have a copy of the above may write to the Company Secretary to the registered office.

MATERIAL CHANGES

No Material Changes or commitments have occurred between the end of the Financial Year and the date of this Report which affects the financial statements of the Company in respect to the reporting year.

INDIAN ACCOUNTING STANDARDS

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015, your Company has to comply with Indian Accounting Standards (IndAS) from April 01, 2017. Accordingly, the financial statements of the Company for the Financial Year 2020-21 have been prepared as per IndAS.

CREDIT RATING

The credit rating agency ICRA has assigned the credit rating as BBB (Outlook: Stable reaffirmed) for long term debt and A3+ (A Three Plus) for short term borrowings as on date of this report.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Your Company is holding 99.97% stake in the Subsidiary Companies. All the subsidiaries are wholly owned Subsidiary Companies

DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public under section 76 of the Companies Act, 2013 and Rules made there under.

EMPLOYEE STOCK OPTION PLAN - 2010

Your Company has introduced the Employee Stock Option Scheme – 2010 in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999. During the year no employee stock options were converted into equivalent number of equity shares. As required under SEBI (Share Based Employee Benefits Regulations, 2014), a disclosure is given as Annexure II to this report.

RESTRICTED STOCK UNIT - 2018

At the General Meeting via Postal Ballot held on August 26, 2018, the shareholders approved the Restricted Stock Unit – 2018 Scheme ('RSU'). Pursuant to the approval, the Board has been authorized to offer, issue and allot stock options to eligible employees of the Company and its subsidiary Companies under RSU 2018. The maximum number of shares under the RSU 2018 shall not exceed 21,33,040 equity shares.

Out of this, your Company has granted 21,33,040 stock options to the employees of the Company under RSU. During the year 70,000 restricted stock options were converted into equivalent number of equity shares.

The relevant disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is given as Annexure II to this report.

SHARE CAPITAL

Consequent to conversion of stock options into equity shares, your Company's Paid Up equity share capital has gone up to ₹ 21,44,78,315 as on March 31, 2021 from ₹ 21,41,28,315 as on March 31, 2020.

DIRECTORS & KEY MANAGEMENT PERSONNEL

The members of the Company at the 17th Annual General Meeting approved the re-appointment of Mr. Sivaramakrishnan Vilayur Ganapathi (holding DIN 07954560) as the Managing Director of the Company for a period of three years effective from October 3, 2020 to October 2, 2023.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mr. Mathew Cyriac (DIN: 01903606), Non-executive Director retires by rotation at forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 18th Annual General Meeting of the Company.

In terms of Section 203 of the said Act, the following were designated as Key Managerial Personnel of your Company by the Board:

- Mr. Sivaramakrishnan Ganapathi – Managing Director
- Mr. Prabhat Kumar Singh – Whole time Director
- Mr. Sathyamurthy A – Chief Financial Officer
- Ms. Shrithee M S – Company Secretary

Mr. Sameer Sudarshan R. V. – Company Secretary and Compliance Officer has resigned the office with effect from close of business hours on November 10, 2020 and Ms. Shrithee M S has been appointed as the Company Secretary and Compliance Officer on November 11, 2020.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

EVALUATION OF THE BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and Regulations 25 of the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committee. Each Board member completed a questionnaire providing feedback on the functioning and overall engagement of the Board and its committees on various parameters such as composition, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting etc. The Directors were also asked to provide their valuable feedback and suggestions about the over all functioning of the Board and its committees.

NUMBER OF MEETINGS OF THE BOARD

During the year, Seven Board Meetings were held on May 6, 2020; June 26, 2020; July 15, 2020; July 29, 2020; September 25, 2020; October 22, 2020 and January 29, 2021. The Particulars of Directors & their attendance during the financial year 2020-21 has been disclosed in the Corporate Governance Report forming part of this Annual Report.

For details of the Committees of the Board, please refer to the Corporate Governance Report.

BOARD COMMITTEE

The Company has the following committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The Composition of each of the above Committees, their respective roles and responsibilities are as detailed in the report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Management states that:

I) In the preparation of the annual accounts for the year ended March 31, 2021, the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures, if any;

II) They 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 as at March 31, 2021 and of the profit of the Company for that period;

III) They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

IV) They have laid down Internal Financial Controls to be followed by the Company and the Audit Committee shall ensure that the Internal Control is adequate and robust;

V) The annual accounts are prepared on a going concern basis

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

SAFETY, HEALTH, ENVIRONMENT

We, as a responsible manufacturer, are committed to take adequate measures related to environment, employee health and safety in developing, manufacturing, storing, handling and distribution of our products. It is our responsibility to provide a workplace free from accidents, injuries and exposure to hazardous substances, conserve natural resources and prevent pollution to protect the environment.

Besides, as a constructive partner in the communities in which it operates, the Company has been taking concrete actions to realize its social responsibility objectives, thereby building value for its various stakeholders. We respect human rights, value our employees and invest in innovative technologies. In the past the Company has supported innumerable social and community initiatives and continues to do the same.

Some of the key initiatives taken by the Company are:

Environment:

1. HIGG FEM 3.0 certification and validation by third party completed in a phased manner for all our units. The Higg Index measures environmental (energy/ greenhouse gas emissions; water; wastewater/effluent; air emissions; waste; and chemicals management) and social impacts across the life cycle of an apparel product. This will lead to consistent monitoring and reduction of environmental impact across units.

2. ZLD project (Zero Liquid Discharge) running successfully, wherein more than 90% of waste water is recycled and reused for the laundry application.

3. Change over to Low liquor ratio (1:5) laundry machines and E-Flow machines to reduce water & chemical consumption.

4. Rain water harvesting tanks have been augmented to increase ground water recharge.

5. We use only approved or authorised ZDHC non-hazardous chemicals for laundry and printing processes, which are sourced from suppliers who are registered with ZDHC.

6. Company has invested in upgrading the machineries that will enhance our Productivity, Quality and ultimately save more on energy, water and chemical consumption.

7. Installed roof top solar panel at one of our units and achieved CO_2 offset of 385 tonnes/annum.

8. Replaced florescent lights across factories with LED lights for reducing energy consumption, leading to carbon footprint reduction.

Health & Safety:

COVID-19 Management

1. Employee health at workplace was continuously monitored and self-declaration on health obtained from employees, as per Government guidelines.

2. Distributed PPE Kits to Government departments & face mask to employees and family members.

3. Social distancing, temperature screening, awareness creation on hygiene and hand sanitizing done for employees at all units.

4. Disinfection of all common areas and wet mopping of factory floor done at regular intervals.

5. Realigned workstation to maintain adequate space between workers.

6. COVID-19 Task Force constituted at every unit to monitor preventive action, report instances, undertake remedial action including attending to medical emergencies.

7. Factories and Offices are disinfected every weekend. There is an established protocol for contact tracing, in the event of a positive case.

8. Provided medical care in the form of Oxygen Concentrators, Ambulance Service & Hospital admission support to employees and their family during the second wave.

9. In our onsite vaccination camps we have vaccinated more than 64% of our employees by actively partnering with Govt. of Karnataka and local Public Health Centre.

Other Health & Safety Initiatives

1. Achieved Zero Reportable accidents at all our factories.

2. Conducted periodical training and awareness to employees on Health & Safety, Personal Hygiene.

3. Improved ventilation at all factories to enhance ambient air for promoting healthy working environment.

4. Enhanced ergonomic standards for workstation to reduce Musculo Skeletal Disorders among workmen.

5. Enhanced CCTV coverage area at all factories to strengthen our surveillance system.

6. Upgraded Fire Hydrant with sprinkler system and Centralised Fire Control Panel to enhance fire safety.

7. Augmentation of existing STP, Installation and commissioning of new STPs to ensure water is scientifically treated and reused in order to reduce environmental impact.

Employee Engagement:

1. HER (Health Enabled Returns) projects - Health & Finance implemented at some of our factories to enhance employee awareness on personal health and personal finance.

2. PACE (Personal Advancement and Career Enhancement) implemented across 10 units for women employees.

3. WCP (Workplace Co-operation Program) is being implemented at factories to enhance cooperation and communication between employees and management.

4. To empower women, Women Supervisor Development Program started in factories. This program aims to identify, train and handhold potential women workers for taking up supervisory role, thereby promoting gender equity among supervisory staff.

5. Existing supervisors have been trained on latest technical trends and behavioural requirements for the role through an integrated program. This will enhance productivity and improve harmony at workplace.

6. Skill enhancement programs are undertaken and individual employee skills are evaluated and enhanced to next level, through continuous on the job training and classroom sessions.

7. A unique gamified program titled "Sankalpa" driven across factories where employees are identified and rewarded for exhibiting right behaviours at workplace. This has resulted in increased overall productivity and improved employee morale.

8. The organisational social policy and process has been upgraded in alignment with SLCP (Social & Labour Convergence Program) to improve employee wellbeing and social equity.

CORPORATE GOVERNANCE

Your Company is committed to maintaining the highest standards of Corporate Governance. Your Directors adhere to the standards set out by the Securities and Exchange Board of India (SEBI) Corporate Governance practices. Your Company's Corporate Governance Compliance Certificate is in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is given along with the Corporate Governance Report.

BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on the Business Responsibility Report, describing the initiatives taken by the Company from an environmental, social and governance perspective, during the year under review, forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is given separately, forming part of this Annual Report and is in accordance with the requirements laid out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

LISTING

The equity shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to the respective stock exchanges till date. The Company's shares are tradable compulsorily in the dematerialized form and the Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) for trading in electronic form.

AUDITORS

A. STATUTORY AUDITOR

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The Audit committee of the Company has proposed on August 8, 2018, the Board of Directors of the Company has recommended the appointment of MSKA & Associates, Chartered Accountants (ICAI Firm registration number: 105047W) as statutory auditors of the Company. MSKA & Associates, Chartered Accountants (ICAI Firm registration number: 105047W) will hold office for a period of five consecutive years from the conclusion of 15th Annual General Meeting of the Company till the conclusion of 20th Annual General Meeting to be held in the year 2023, subject to the approval of shareholders of the Company.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 effective from May 07, 2018, ratification by shareholders every year for the appointment of Statutory Auditors is no longer required and accordingly, the Notice of ensuing 18th Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

No qualification, adverse remarks or disclaimer made by the Statutory Auditors with regards to the financial statements for the Financial Year 2020-21.

The statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

B. SECRETARIAL AUDITOR

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nagendra D Rao, Practicing Company Secretary (CP NO:7731, FCS: 5553) to undertake the secretarial audit of the Company. Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

The Secretarial Audit Report is given as Annexure III to this Report. The Report does not contain any qualification, reservation or adverse remark.

Also the Secretarial Audit Report issued under Regulation 24A of SEBI Listing Regulations is given in Annexure to this Report.

As required under SEBI Listing Regulations, your Company has obtained a certificate from the Practicing Company Secretary that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors by MCA/Statutory Authorities. The said certificate is forming part of this Report.

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

In pursuance of the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings in such manner as prescribed under Rule 8 (3) of the Companies (Accounts) Rules, 2014, the particulars of the same are given below.

A. CONSERVATION OF ENERGY

The operations of the Company are not energy intensive. However, the Company takes continuous initiatives to curtail consumption of energy on an ongoing basis.

B. TECHNOLOGY ABSORPTION, ADAPTATIONS AND INNOVATION

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned :	₹ 90,280.39 Lakhs
Foreign Exchange outgo :	₹ 18,240.32 Lakhs

RELATED PARTY TRANSACTIONS

All related party transactions, that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. The Company presents a statement of all related party transactions before the Audit Committee. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee. Further there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or designated persons which may have a potential conflict of interest with the Company at large.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENT

In terms of Section 134 of the Companies Act, 2013, the particulars of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 is detailed in Notes to Accounts of the Financial Statements.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at work place in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual temporary, trainees) are covered under this policy.

An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination at work place.

During the year, 1 complaint of sexual harassment was received and closed.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2021 on its website at www.gokaldasexports.com. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

INTERNAL CONTROL SYSTEMS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. Internal Audit is carried out in a programmed way and follow up actions were taken for all audit observations.

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee is responsible for formulating criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other senior employees.

In line with this, Board has adopted Remuneration Policy for Directors, Key Managerial Personnel and other senior employees of the Company. The copy of the policy is available on the Company's website www.gokaldasexports.com.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Your Company has adopted a Risk Management Policy for addressing the requirements of risk identification, risk assessment, risk mitigation plans etc., of the Company.

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have formulated a policy on Risk Management which can be accessed from the website of the Company at www.gokaldasexports.com.

PARTICLUARS OF EMPLOYEES

Information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure IV to this report.

The information required pursuant to Section 136(1) of the Companies Act, 2013, the Report of the Board of Directors is being sent to all the shareholders of the Company excluding statement prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Statement is available for inspection by the shareholders at the registered office of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a Corporate Social Responsibility Committee.

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the website of the Company at www.gokaldasexports.com

During the year under review, the Company has spent ₹ 9.05 lakhs (2%) of the average qualifying net profits of last three Financial Years on CSR activities as per Section 135 of the Act, duly approved by the CSR Committee of the Board.

The annual report on Corporate Social Responsibility (CSR) activities for the FY2020-21 as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided as Annexure V attached to this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has a Vigil mechanism and has established a Whistle Blower Policy, as per the requirement of the Companies Act, 2013 and the Listing Obligations and Disclosure Requirements Regulations, 2015, to enable all employees and the Directors to report in good faith any violation of the policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. Your Company has disclosed the details of revised Whistle Blower Policy on its website www.gokaldasexports.com

PREVENTION OF INSIDER TRADING

Your Company has adopted a code of conduct for prevention of "insider Trading" as mandated by the SEBI and same is available on the website of the Company www.gokaldasexports.com.

CODE OF CONDUCT

Your Company has laid down a Code of Conduct Policy which can be accessed on the Company's website: www.gokaldasexports.com

OTHER DISCLOSURES

a) Your Company has complied with the applicable Secretarial Standards relating to 'Meeting of the Board of Directors' and 'General Meetings' during the year.

b) There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

c) There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners and associates, financial institutions and the Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company for their hard work and commitment.

On behalf of the Board of Directors
For **Gokaldas Exports Limited**

Place: Bengaluru
Date: July 30, 2021

Sd/-
Richard B. Saldanha
Chairman

Annexure I to the Board's Report

FORM AOC - I

Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

Statement containing salient features of the Financial Statement of Subsidiaries / Associates Companies / Joint Ventures, Part A- Subsidiaries.

Amount in ₹ lakhs.

Sl. No	Name of the Company	All Colour Garments Pvt. Ltd.	SNS Clothing Pvt. Ltd.	Vignesh Apparels Pvt. Ltd.
1	Reporting period for the subsidiary concerned, if different from holding Company's reporting period	March 31, 2021	March 31, 2021	March 31, 2021
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
3	Share Capital	2.00	2.00	2.00
4	Reserves & Surplus	367.96	1,331.14	94.91
5	Total Assets	370.76	1,645.71	97.45
6	Total Liabilities	0.79	312.57	0.55
7	Investments	-	0.02	-
8	Turnover	-	433.65	-
9	Profit before taxation	(0.80)	33.31	(0.74)
10	Provision for taxation	-	-	-
11	Profit after taxation	(0.80)	26.38	(0.74)
12	Proposed Dividend	-	-	-
13	% of Shareholding	100%	100%	100%

Note: Names of Subsidiaries which are yet to commence operations - Not Applicable

Names of subsidiaries which have been liquidated or sold during the year - Not applicable.

Annexure II to the Board's Report

DETAILS OF STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS REGULATION, 2014)

Sl. No	Description	ESOP Scheme- 2010	RSU -2018 Plan
A)	No. of Options available under Scheme	17,18,800	21,33,040
B)	No. of Options Granted during FY2020-21	Nil	Nil
C)	The Pricing Formula	The exercise price for the purposes of the grant of options as decided by the ESOP Compensation Committee is ₹ 32.25, 60.95, 80.20, 72.55 and 85.96, the price being not less than the Par value of the equity share of the Company and not more than the market price as on May 20, 2013, February 1, 2014, August 13, 2014, May 30, 2016 and October 3, 2017 respectively being relevant date subject to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999.	The exercise price for the purposes of the grant of options the RSU Scheme is the face value of the equity share of ₹ 5 per share.
D)	Options vested during FY2020-21	Nil	18,83,040
E)	Options Exercised during FY2020-21	Nil	70,000
F)	The total number of shares arising as a result of exercise of option	7,41,663	70,000
G)	Options lapsed FY2020-21	Nil	2,23,040
H)	Variation Terms of Options	Nil	Nil
I)	Money Realized by exercise of options	Nil	3,50,000
J)	Total Number of Options in Force as on March 31,2021	5,41,667	18,05,000
K)	Employee-wise details of options granted to	Details as under :	Details as under:
	i) Senior Managerial Personnel	Yes 1. Mr. Sivaramakrishnan Ganapathi, Managing Director 2. Mr. Sathyamurthy A Chief Financial Officer 3. Mr.Poorana Seenivasan Executive President	Yes 1. Mr. Sivaramakrishnan Ganapathi, Managing Director 2. Mr. Sathyamurthy A Chief Financial Officer 3. Mr.Poorana Seenivasan Executive President
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	Nil	Nil
	iii) Identified employees who were granted option , during any one year , equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Mr. Sivaramakrishnan Ganapathi – Managing Director

L)	Diluted Earnings Per share (DPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IndAS) 33 "Earnings Per Share"	₹ 5.78	₹ 5.78
M)	i) the Method of calculation of Employee Compensation Cost	Fair valuation by using Black Scholes Merton Model	Fair valuation by using Black Scholes Merton Model
	ii) Difference between the employee compensation cost so computed at (i) above and the employee Compensation Cost that shall have been recognized if it had used the fair value of options	Nil	Nil
	iii) The impact of the difference on profits and on EPS of the Company	Nil	Nil
N)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price	Not Applicable	Not Applicable
O)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :	Fair Value Method of accounting	Fair Value Method of accounting
	1) Risk-free interest rate 2) Expected life 3) Expected volatility 4) Expected dividends 5) Price of underlying share in market at the time of option grant	Not applicable	Not applicable

Annexure III to the Board's Report

To,
The Members,
Gokaldas Exports Limited,
No. 25, Second Cross, Third Main Industrial Suburb, Yeshwantpur Bengaluru– 560022.

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 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 further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature

Place: Bengaluru
Date: May 14, 2021

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
UDIN: F005553C000300441

543/A, 7th Main,
3rd Cross, S. L. Bhyrappa Road,
Hanumanthnagar,
Bengaluru – 560 019.

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2021

[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,
Gokaldas Exports Limited,
No. 25, Second Cross, Third Main Industrial Suburb,
Yeshwantpur Bengaluru– 560022.

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Gokaldas Exports Limited (hereinafter called the Company). Secretarial Audit was conducted in the 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 Gokaldas Exports Limited 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 the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 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 Gokaldas Exports Limited ("the Company") for the Financial Year ended on March 31, 2021 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 Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable];

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective October 28, 2014);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued any debt securities during the Financial Year under review];

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year under review];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the Financial Year under review];

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not Applicable as the Company has not bought back / propose to buyback any of its securities during the Financial Year under review];

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

(vi) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

The Laws as are applicable specifically to the Company are as under:

a) The Central Excise Act, 1944,

b) The Customs Act, 1962,

c) The Karnataka Value Added Tax,

d) The Central Sales Tax Act, 1956

e) The Payment of Bonus Act, 1965,

f) The Environment Protection Act, 1986,

g) The Maternity Benefit Act, 1961

h) The Factories Act, 1948,

i) The Minimum Wages Act, 1948,

j) The Payment of Wages Act, 1936,

k) The Employees Provident Funds and Miscellaneous Provisions Act, 1952,

l) The Employees State Insurance Act, 1948

m) The Payment of Gratuity Act, 1972,

n) The Industrial Disputes Act, 1947,

o) The Employees Compensation Act, 1923,

p) The Equal Remuneration Act, 1976

q) Karnataka Shops and Establishment Act, 1961

r) The Goods and Service Tax Act, 2017

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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 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.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Managing Director and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management of the Company has 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.

I further report that during the audit period the Company has in compliance with the Act:

1. Re-appointment of Mr. Sivaramakrishnan Vilayur Ganapthi (holding DIN: 07954560) as the Managing Director of the Company for a period of three years effective from October 03, 2020 to October 02, 2023.

2. The Company has Allotted 70,000 Shares Under Gokaldas Exports Employee Restricted Stock Unit Plan 2018. Further, the Company complied with the requirement of necessary filings for the allotment of shares made during the reporting period.

3. The Company has shifted its Registered office from Prestige Dot Com bearing No. 16/2, Residency Road, Bengaluru - 560025 to No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru-560022.

I further report that during the audit period, except as stated above there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

Signature

Place: Bengaluru
Date: May 14, 2021

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
UDIN: F005553C000300441

543/A, 7th Main,
3rd Cross, S. L. Bhyrappa Road,
Hanumanthnagar,
Bengaluru – 560 019.

CERTIFICATE PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
Gokaldas Exports Limited,
No. 25, Second Cross, Third Main Industrial Suburb, Yeshwantpur Bengaluru– 560022.

I have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of Gokaldas Exports Limited having CIN L18101KA2004PLC033475 and having registered office at Gokaldas Exports Limited, No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560 022 (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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 09, 2018 issued by SEBI.

In my opinion and to the best of my information and according to the verifications (including 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 who were on the Board of the Company as on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Ensuring the eligibility of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

We have conducted necessary verification as much as is appropriate to obtain reasonable assurance about the eligibility or disqualification of the Directors on the Board of the Company.

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.

Signature

Place: Bengaluru
Date: May 14, 2021

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
UDIN: F005553C000300595

543/A, 7th Main,
3rd Cross, S. L. Bhyrappa Road,
Hanumanthnagar,
Bengaluru – 560 019.

Annexure IV to the Board's Report

SECTION 197 (12) READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 IN RESPECT OF EMPLOYEES OF THE COMPANY IS AS FOLLOWS:

1) Ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year

Sl. No	Name	Designation	Remuneration Paid FY2020-21 (₹ lakhs)	Remuneration Paid FY2019-20 (₹ lakhs)	Increase in remuneration over previous year (₹ lakhs)	Ratio/ times per Median of employee remuneration
1	Mr. Sivaramakrishnan Ganapathi*	Managing Director	169.10	188.76	(19.66)	75.49
2	Mr. Prabhat Kumar Singh	Whole time Director	40.00	65.00	(25.00)	17.85

*Includes fixed pay, does not include ESOP/Bonus and perquisite value

2) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, in the Financial Year:

Mr. Sivaramakrishnan Ganapathi – Managing Director: Nil

Mr. Prabhat Kumar Singh – Whole Time Director: Nil

Mr. Sathyamurthy. A, Chief Financial officer: Nil

Mr. Sameer Sudarshan R. V., Company Secretary (Resigned from the close of business hours on November 10, 2020): Nil

Ms. Shrithee M S, Company Secretary (Appointed on November 11, 2020): Nil

3) The percentage increase in the median remuneration of employees in the Financial Year: Nil

4) The number of permanent employees on the rolls of Company as of March 31, 2021: 23,467

5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During the year no increase in salary has been considered.

6) Affirmation that the remuneration is as per the remuneration policy of the Company - The Company affirms that the remuneration is as per the remuneration policy of the Company.

Annexure V to the Board's Report

ANNUAL REPORT ON CORPORTAE SOCIAL RESPOSNBILITY (CSR) ACTIVITIES FOR FY 2020-21

1. Brief outline on CSR Policy of the Company: The Company's CSR policy including overview of the projects or programs proposed to be undertaken is available at the Company's website www.gokaldasexports.com.

2. Composition of CSR Committee: The members of CSR Committee as on March 31, 2021 are as under:

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 the year
1.	Mr. Richard B Saldanha	Chairman of the Committee (Non- Executive & Independent Director & Chairman)	1	1
2.	Ms. Anuradha Sharma	Member (Non -Executive & Independent Director)	1	1
3.	Mr. Sivaramakrishnan Ganapathi	Member (Executive Director – Managing Director)	1	1
4.	Mr. Mathew Cyriac	Member (Non –Executive Director)	1	1

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: Details on composition of CSR committee, CSR Policy and CSR projects approved by the Board of Directors are available at www.gokaldasexports.com.

The details of CSR Projects approved by the Board and undertaken by the Company during the FY2020-21 is as under:

a. Contribution towards Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding Financial Years (in ₹)	Amount required to be set- off for the Financial Year, if any (in ₹)
		Not Applicable	

6. Average net profit of the Company as per section 135(5): ₹ 451.90 lakhs

7. a) Two percent of average net profit of the Company as per section 135(5) : ₹ 9.05 lakhs

b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil

c) Amount required to be set off for the Financial Year, if any: Nil

d) Total CSR obligation for the Financial Year (7a+7b- 7c): ₹ 9.05 lakhs

8. a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 9.05 lakhs	Nil	Nil	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	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration No.
Nil												

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 for the project (in ₹).	Mode of implementation - Direct (Yes/ No).	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration No.
1.	Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	(viii)	No	PAN India		9.05 lakhs	Yes	-	-
Total						**9.05 lakhs**			

d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 9.05 lakhs

g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	9.05 lakhs
(ii)	Total amount spent for the Financial Year	9.05 lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

9. a) Details of Unspent CSR amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial Years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
Not Applicable							

b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

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

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): Not Applicable

b) Amount of CSR spent for creation or acquisition of capital asset: Nil

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

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

Sd/-
Richard B. Saldanha
Chairman of the CSR Committee

Sd/-
Sivaramakrishnan Ganapathi
Managing Director

Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of SEBI LODR, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L18101KA2004PLC033475
2.	Name of the Company	Gokaldas Exports Limited
3.	Registered address	No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur Bengaluru– 560022.
4.	Website	www.gokaldasexports.com
5.	E-mail id	info@gokaldasexports.com
6.	Financial Year reported	April 2020 to March 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Apparel and Clothing (NIC Code - 14101)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Garments related to Casual Wear, Outer Wear, Bottom Wear (i.e.Shorts, Trousers, Jackets for Men, Women and Kids)
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	International location: Nil National locations: 6 (Six)
10.	Markets served by the Company	National and International Markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	2,144.78 lakhs
2.	Total Turnover (₹)	1,21,072.73 lakhs
3.	Total profit after taxes (₹)	2,649.16 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.34%
5.	List of activities in which expenditure in (4) above has been incurred	The Company contributed to PM CARES fund.

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?	No. Business Responsibility initiatives of the Company are limited to its own operations.
	If yes, then indicate the number of such subsidiary Company(s)	Not applicable
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. Business Responsibility initiatives of the Company are limited to its own operations.
	If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Not applicable

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

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

Sl. No.	Name and DIN Number	Category / Designation
1	Richard B Saldanha, DIN: 00189029	Non - Executive & Independent Director & Chairman
2	Anuradha Sharma, DIN: 01965605	Non - Executive & Independent Director
3	Gautham Madhavan, DIN: 02826558	Non - Executive Director
4	Mathew Cyriac, DIN: 01903606	Non - Executive Director
5	Sivaramakrishnan Vilayur Ganapathi, DIN: 07954560	Executive Director - Managing Director
6	Prabhat Kumar Singh, DIN: 08275987	Executive Director - Whole-time Director

b. Details of the BR Head

Sl. No.	Particulars	Details
1	DIN Number	08275987
2	Name	Prabhat Kumar Singh
3	Designation	Executive Director
4	Telephone number	080 – 68951000
5	e-mail id	Prabhat.singh@gokaldasexports.com

2. Principle-wise (as per NVGs) Business Responsibility Policy/Policies

List of Principles

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

a. Details of Compliance (Reply in Y/N)

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)	The policies are aligned with the principles of NVG guideline								
4	Has the policy being approved by the Board?	Yes								

5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes (Official of the Company oversee implementation of the Policy)								
6	Indicate the link for the policy to be viewed online?	The Company policies are available on its website. www.gokaldasexports.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal stakeholders and it is an ongoing process								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	Not applicable								
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)									

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

With effect from December 26, 2019, as per Regulation 34 (2) (f) of SEBI (LODR) Regulations 2015, Business Responsibility Report has been made mandatory for the top 1,000 listed entities based on market capitalization. Although our Company is not one among the top 1,000 listed entities in the current year, we continued to publish the Business Responsibility Report since the same was done in the previous year when our Company was one of the top 1,000 listed entities in the country. This Business Responsibility Performance is reviewed annually by the management along with the Managing Director of the Company.

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

Business Responsibility Report forms the part of Annual Report and also available on the Website of the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

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 Corporate Principles & Code of Conduct cover the Company and are applicable to all employees of the Company. Further the code of conduct policy is also issued to every new employee joining the Company. The Company has Code of Conduct policies for Directors as well as for employees of the Company that completely cover all issues relating to ethics, bribery and corruption.

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.

The Company received 3 complaints during the year under review from the shareholders of the Company through RTA.

These requests were addressed by the RTA of the Company within appropriate time and disclosed on a quarterly basis through Statement of Investment Grievance to the Stock exchanges.

Principle 2 Businesses 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.

The Company manufacture readymade garments of different categories like Outer Wear, Casual Wear, Sports Wear and for Men, Women and Kids for all seasons. The Company is conscious about the environmental concerns while doing production of such garments. We ensure energy conservation, minimal wastage, recycle of effluents. The Company has also focused on biomass fuels that reduces the air pollution instead of diesel. Our manufacturing units are compliant under Environmental and Organic standards.

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? – Not applicable. On an average we have reduced energy consumption by around 5% compared to previous year, Diesel consumption was reduced by 11% from our manufacturing units.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? Not applicable.

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 Company's manufacturing locations are located at Bengaluru, and other locations in Karnataka and one unit in Andhra Pradesh. The raw material supplies come from domestic as well as from overseas markets. All imports are carried through Chennai / Mumbai port, where the Company uses road transportation for bringing the material inhouse. We continue to explore and identify alternate suppliers and vendors who comply with global sustainability standards to strengthen sourcing resilience and business continuity.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- Yes

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The criteria for selection of goods and services are quality, reliability and price, Company gives preference to small vendors, provided the product quality meets environmental standards and the specification given by the customer. For consumable, spare parts and operational services, the Company prefers to connect with local vendors to supply input materials and other requirements.

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.

- We have installed Zero Liquid Discharge project, a state of the art technology to recycle waste water generated from our laundry unit which is recycled for re-use in the process. Plant is designed, installed and commissioned to recycle up to 92% of waste water.

- Energy Conservation activities like replacement of florescent tube lights with LEDs at production areas, installation of VFDs in machines, lighting of factory peripheral with Solar Energy & Installation rooftop solar panels in one of unit have helped us reduce overall energy consumption by approximately 5% in the year compared with the previous year.

- All the fabric waste generated during manufacturing process, machine oil generated during maintenance of equipment are collected and disposed to authorized vendors for recycling.

Principle 3 Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees – ~23,467.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - Nil.

3. Please indicate the Number of permanent women employees - ~17,624.

4. Please indicate the Number of permanent employees with disabilities - 86.

5. Do you have an employee association that is recognized by management – The Company has union present in certain units. Management engages with union and duly elects works committee to resolve work place concerns.

6. What percentage of your permanent employees is members of this recognized employee association? – Not applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.

Sl. No.	Category	No of complaints filed during the Financial Year	No of complaints pending as on end of the Financial Year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	1	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Sl. No.	Category	Safety Training	%	Skill Upgradation In Training	%	Total employees
A	Permanent Employees	23,467	100%	539	2.3%	23,467
B	Permanent Women Employees	17,624	100%	503	2.9%	17,624
C	Casual / Temporary / Contractual employees	Nil	Nil	Nil	Nil	Nil
D	Employees with Disabilities	86	100%	4	4.7%	86

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

-Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

- No vulnerable and marginalized stakeholders

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.

During the first phase of COVID-19, Company engaged in manufacturing of PPE Kits to support the Government and frontline warriors engaged in the healthcare sector. The Company also supplied face masks to employees, family members and residents in nearby villages. During the second wave of the COVID-19 pandemic, we created a COVID-19 Task Force to attend to medical emergency. The Company also provided medical assistance, ambulance service etc., to support employees and their relatives impacted by COVID-19. Besides enforcing stringent covid appropriate behavior, we also extended RTPCR Test and Vaccination drives across units to secure employee wellbeing. The Company also made its CSR contribution to PM CARES Fund to support the national relief measures.

Principle 5 Businesses 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?

The Company expects all its trading partners to respect Human Rights governed by National and International Laws. The policy unequivocally prohibit Forced Labour, Child Labour and any kind of discrimination at the workplace. While promoting legally acceptable workings hours, freedom of association & collective bargaining, there are also policy measures to address Sexual Harassment, Grievance Redressal, Safety, Security Health and Environmental aspects of organizational life. The policy implementation is supported by robust processes and reporting framework. The commitment to human rights is also embedded in the "Code of Conduct", adopted by the Company. All employees, are trained and sensitized to human rights as part of their orientation program.

2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

No complaints of this nature were received in this Financial Year.

Principle 6 Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

Policies relating to environmental protection apply to all levels of management of the Company.

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.

To minimize the environmental issues such as climate change, global warming following are the initiatives undertaken:

1. Use of ZDHC (Zero Discharge of Hazardous Chemicals) approved chemicals at our Laundry and Printing Units, thereby minimizing the pollution loads on environment.

2. Installation of solar roof top panel in one of our units in the current year. Also, used solar energy for peripheral lightings at our manufacturing units.

3. Use of LED tube lights and installation of VFDs in machines in continuous operations to reduce energy consumptions.

4. To minimize environmental impact of its products, and optimize efficiency, the Company is continuously upgrading technology, machinery and input materials.

5. Invested in rain water harvesting to support our sustainability initiatives.

3. Does the Company identify and assess potential environmental risks? Y/N

The Company periodically undertakes impact assessment at organizational and Site level to minimize potential environmental risks.

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?

The Company takes effort to mitigate the impact of environmental risks so that no Environmental Compliance Report is required to be filed.

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.

Many energy conservation initiatives are undertaken during the year at our manufacturing units

a. Installation of LEDs lighting in place of fluorescent tube lights

b. Installation of VFD (Variable Frequency Drive) in compressors and other machines

c. Change of Diesel to Briquettes (Biomass) as fuel to fire Boiler for production of steam

d. All peripheral lighting powered using Solar energy

e. E-flow washing machines are used in the laundry process to reduce water consumption. This initiative has helped to reduce water consumption by 50%, energy usage up to 47%.

f. Inducted new technology and machinery to optimize power consumption. 1000 sewing machines with direct drive technology with pulse & servo motors installed during the year is effectively contributing to 15% saving of energy.

The Company uses Higg Index FEM 3.0 to report on sustainability. Developed by the Sustainable Apparel Coalition, the Higg Index is a suite of tools that enable all stakeholders in the supply chain to measure and score sustainability.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

Yes. All emissions/waste generated are within limits given by the CPCB/SPCB for the Financial Year being reported. Periodical inspection and servicing of equipment are carried out to improve efficiency and performance.

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.

No show cause/legal notice has been received from CPCB/SPCB during the Financial Year under review.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

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. The Company is a member of the following Trade Associations. Name of the Trade Association – Apparel Export Promotion Council (AEPC), The Clothing Manufacturers Association of India (CMAI) and Bengaluru Chamber of Commerce (BCC).

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)

We use the industry forums to represent to the Government on matters of state policy impacting the industry in general. Our members actively work with industry bodies in providing inputs on industrial policy, export promotion etc. We have also supported the Government and various District Administration in relief work, through such industry forums.

Principle 8 Businesses 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.

Yes, the Company has formulated a well – defined CSR Policy which focuses on Education & Skill Development, Community Development, Health & Hygiene and Environment.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

While the programs were undertaken directly in the current year, the Company has a CSR policy that also allow engagement of credible agencies known for their work in specific areas.

3. Have you done any impact assessment of your initiative?

- Yes, the Company's inhouse leadership team reviews the progress, assess the impact and suggest the way forward as deemed necessary.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

– Being a pandemic year, the Company has supported COVID-19 relief in work in nearby villages by way of supply of face masks, PPE Kits, ambulance service and medical assistance. Further, the Company contributed its CSR contribution of ₹ 9.05 lakhs to PM CARES Fund.

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.

- HR Managers of the unit engaged with the Govt agencies / representatives to oversee the covid relief work done through the Company.

Principle 9 Businesses 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)

- Not Applicable – As garments manufactured by the Company are specific to each customer, there is no possibility of displaying product label over and above the local law.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior 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?

- The Company carries out customer satisfaction survey at a frequency of every year.

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The core principles that underpin the corporate governance of Gokaldas Exports Limited are enterprise, transparency and accountability. The responsibilities of the Board include setting the Company's strategic objectives, providing the leadership and making them operational and supervise the management of the Company and reporting to shareholders on their stewardship.

Good Corporate Governance leads to long-term shareholder value creation. It brings into focus the fiduciary and trustee role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

The Securities and Exchange Board of India (SEBI) amended the Listing Regulations to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosures and protection of investor rights, including equitable treatment for minority and foreign shareholders. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to adopt best practices on corporate governance.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 17 and 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and presents the following Corporate Governance Report for the year FY2020-21, based on the said disclosure requirements.

BOARD OF DIRECTORS

The Board is headed by an Independent and Non-Executive Chairman, Mr. Richard B. Saldanha, and is composed of eminent persons with considerable professional experience in diverse fields viz, manufacturing, marketing, finance, banking, legal, management and commercial administration and comprises of a majority of Non-Executive & Independent Directors. The Gokaldas Exports Board is a balanced Board, comprising of Executive and Non-Executive Directors. As on this date of report, the Board consists of 6 members, 4 of whom are Non-executive, out of which 2 are Independent Directors.

The composition of the Board and category of Directors as on this date of Report:

Sl. No.	Name of Directors	Category
1.	Mr. Richard B. Saldanha	Non - Executive & Independent Director & Chairman
1.	Ms. Anuradha Sharma	Non - Executive & Independent Director
2.	Mr. Mathew Cyriac	Non - Executive Director
3.	Mr. Gautham Madhavan	Non - Executive Director
4.	Mr. Sivaramakrishnan Ganapathi	Executive Director – Managing Director
5.	Mr. Prabhat Kumar Singh	Executive Director – Whole-time Director

Meetings

The meetings of the Board of Directors are normally held at the Company's Registered Office in Bengaluru. During the year under review, 7 (seven) meetings were held.

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director and circulates the same well in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board is provided with the relevant information as stipulated in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Meetings are governed by a structured agenda.

The details of the Board meetings for the Financial Year 2020-21 are as under:

Sl. No	Date of the Board Meeting	Board Strength	No of Directors Present
1.	May 6, 2020	6	6
2.	June 26, 2020	6	6
3.	July 15, 2020	6	6
4.	July 29, 2020	6	6

5.	September 25, 2020	6	6
6.	October 22, 2020	6	6
7.	January 29, 2021	6	6

The last Annual General Meeting (AGM) was held on Friday, September 25, 2020 at 2.30 PM

Particulars of the directorship of the Board, membership and office of the Chairman of Board Committees across all Companies as on March 31, 2021 and attendance at the Board Meetings of the Company are given below:

Directors Details:

Sl. No.	Name	Category	Attendance Particulars			No. of Directorships and Committee Memberships/ Chairmanships			Other listed entities where directors of the Company held directorships	
			No. of Board Meetings		Whether present at last AGM	Directorships*	Committee Memberships**	Committee Chairmanships	Name of Listed Entity	Category
			Held	Attended						
1.	Mr. Richard B. Saldanha	Chairman & Non-Executive & Independent Director	7	7	Yes	7	8	2	Entertainment Network (India) Limited	Independent Director
2.	Ms. Anuradha Sharma	Non-Executive & Independent Director	7	7	Yes	3	1	0	-	-
3.	Mr. Mathew Cyriac	Non-Executive Director	7	7	Yes	8	4	1	MTAR Technologies Limited	Nominee Director
4.	Mr. Gautham Madhavan	Non-Executive Director	7	7	Yes	10	0	0	-	-
5.	Mr. Sivaramakrishnan Ganapathi	Executive Director – Managing Director	7	7	Yes	1	1	0	-	-
6.	Mr. Prabhat Kumar Singh	Executive Director – Whole-time Director	7	7	Yes	4	0	0	-	-

*Directorship Excludes Foreign Companies (includes only listed, unlisted and private limited companies). Directorship includes Gokaldas Exports Limited and its subsidiaries.

**As required by Regulation 26 of the Listing Regulations, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders Relationship Committee (in listed and unlisted companies including that of the Company).

Remuneration to Directors

Remuneration to Executive Director

(₹ lakhs)

Sl. No.	Particulars of Remuneration	Mr. Sivaramakrishnan Ganapathi, Managing Director	Mr. Prabhat Kumar Singh, Whole-time Director
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	169.10	40.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	22.38	0
	(c) Bonus paid	50.00	0
	(d) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	0	0
2	Stock Option	0	0

3	Sweat Equity	0	0
4	Commission		
	- as % of profit	0	0
	- others, specify		
5	Others, please specify	0	0
	Leave Encashment	0	0
	Variable Pay*	0	0
	Total	241.48	40.00
	Term of Service Contract	3 years with effect from October 3, 2020	3 years with effect from November 12, 2018
	Notice period	3 Months	3 Months

The terms and conditions of the executive director's appointment and remuneration are governed by the resolution passed by the shareholders of his appointment. The Company has entered into separate agreement for the contract of services with the executive director.

Remuneration to Non-Executive Directors

(₹ lakhs)

Sl. No.	Particulars of Remuneration	Richard B Saldanha, Non-Executive & Independent Director	Anuradha Sharma, Non-Executive & Independent Director	Mathew Cyriac, Non-Executive Director	Gautham Madhavan, Non-Executive Director	Total
1	Fee for attending board/ committee meetings	13.60	13.60	12.80	10.40	50.40
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-
	Total	**13.60**	**13.60**	**12.80**	**10.40**	**50.40**

Independent Directors are entitled to sitting fee only and are not entitled to any remuneration. The Board of Directors have proposed to pay commission of 1% of the net profits of the Company for a period not exceeding 5 (five) Financial Years, commencing from Financial Year ending March 31, 2016. No Commission is paid for the Financial Year 2020-21. There is no inter-se relationship between the Board of Directors.

Key Board qualifications, expertise and attributes

The Gokaldas Board comprises qualified members who bring in their required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the GEX Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Definitions of director qualifications	
Executive & International Leadership	Senior Executive experience, International Leadership experience
Financial Acumen	Senior executive experience in financial accounting and reporting, Corporate Finance, Risk and Internal Controls
Strategy	Experience in developing, implementing and challenging a plan of action designed to achieve the long term goals of an organization, mergers and acquisitions and implementation

Governance and Board	Prior experience as a Board member, industry or membership of Governance Bodies
Work, Health, Safety and sustainability	Experience related to health, safety, environment, Social Responsibility and Sustainability
Textile Industry/Manufacturing Sector	Senior Executive Experience in Textile industry/Manufacturing industry with an understanding of Group strategy, markets, competitors operational issues, technology and Regulatory concerns.
Remuneration & Selection of Board Members	Board remuneration committee membership or management experience in relation to selection remuneration of senior management, incentive programs, legislation contractual frame work governing remuneration.
Learning & Development	Experience relating to education and growth of knowledge base
Regulatory and Public Policy	Legal Background or experience in regulatory and public policy
Global Experiences	Senior Management experience in Global markets exposed to a range of political, Cultural, regulatory and business environments.

In the table below, the specific areas of skills / expertise / competence of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Key Board Qualifications

Directors	Areas of Skills / Expertise / Competence									
	Executive & International Leadership	Financial Acumen	Strategy	Governance and Board	Work, Health, Safety and sustainability	Textile Industry/ Manufacturing Sector	Remuneration & Selection of Board Members	Learning & Development	Regulatory and Public Policy	Global Experiences
Mr. Richard B Saldanha – Non-Executive & Independent Director & Chairman	√	√	√	√	√	√	√	√	√	√
Ms. Anuradha Sharma – Non Executive & Independent Director	√	√	√	√	√	-	√	√	√	√
Mr. Mathew Cyriac – Non- Executive Director	√	√	√	√	√	√	√	√	√	√
Mr. Gautham Madhavan – Non-Executive Director	√	√	√	√	√	-	√	√	√	√
Mr. Sivaramakrishnan Ganapathi – Managing Director	√	√	√	√	√	√	√	√	√	√
Mr. Prabhat Kumar Singh – Exective Director – Whole-time Director	√	√	√	√	√	√	-	√	√	√

Selection of new directors

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the nomination and remuneration committee, which consists of independent Directors. The Committee, based on defined criteria, makes recommendations to the Board on the induction of new directors.

Code of Conduct

In compliance with the Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct on ethics ("the Code"). The Code is applicable to members of the Board, the executive officers and all the employees of the Company and its subsidiaries. The Code is available on our website: www.gokaldasexports.com.

All members of the Board, the executive officers and senior officers have affirmed compliance to the Code as on March 31, 2021

Declaration on Code of Conduct

To,
The Members
Gokaldas Exports Limited,
No. 25, Second Cross Third Main, Industrial Suburb Yeshwantpur Bengaluru – 560022.

This is to confirm that the Company has adopted "Gokaldas Exports Group Code of Conduct and Ethics" herein after referred as "Code of Conduct" for its employees including the officers and Board Members. In addition, the Company has adopted the Code of Conduct and Ethics for its Subsidiaries and Associate Companies.

The Code of Conduct is posted on the Company's website, www.gokaldasexports.com.

I hereby confirm that all the directors, officers and employees of the Company have affirmed compliance to their respective Codes of Conduct and Ethics, as applicable to them for the Financial Year ended March 31, 2021.

Place: Bengaluru
Date: July 30, 2021

Richard B Saldanha
Chairman

COMMITTEES OF THE BOARD

In compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted a set of committees with specific terms of reference and scope to deal with specified matters expediently. Presently, the Board has four committees:

1. Audit Committee

2. Stakeholders' Relationship Committee

3. Nomination & Remuneration Committee and

4. Corporate Social Responsibility Committee

1. Audit Committee

1.1 The Audit Committee of the Company is constituted in line with the requirements of the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177(1) of the Companies Act, 2013("Act").

Constitution of Audit Committee:

During the period under review, the Audit Committee of the Company consisted of three members of which two are Independent Directors with vast experience in Financial Management. The members of the Committee as on March 31, 2021 is as under:

Sl. No.	Name of the Members	Category
1.	Mr. Richard B Saldanha	Chairperson
2.	Mr. Mathew Cyriac	Member
3.	Ms. Anuradha Sharma	Member

Meetings and attendance of Audit Committee Members during the Financial Year:

During the Financial Year ended March 31, 2021, 4 (Four) Meetings of the Audit Committee were held on June 26, 2020; July 29, 2020; October 22, 2020 and January 29, 2021. The composition of the Audit Committee and the number of meetings attended during the year under review are as under:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Richard B Saldanha	4	4
Mr. Mathew Cyriac	4	4
Ms. Anuradha Sharma	4	4

Terms of Reference of the Audit Committee

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information are disclosed.
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with the statutory auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - » Any changes in accounting policies and practices;
  - » Major accounting entries based on exercise of judgment by management;
  - » Qualifications in draft audit report;
  - » Significant adjustments arising out of audit;
  - » Going concern assumption;
  - » Compliance with accounting standards;
  - » Compliance with stock exchange and legal requirements concerning financial statements;
  - » Any related party transactions as per applicable Indian Accounting Standards
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-ups thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders,

shareholders (in case of non-payment of declared dividends) and creditors.

1.2 The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

1.3 The Audit Committee approved the revised Insider Trading Policy and Whistleblower policy effective April 1, 2019 and recommended the same to the Board for adoption.

1.4 The Audit Committee monitored and reviewed investigations of the whistleblower complaints received during the year.

2. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of the Company is formed as per the Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It consists of 3 members.

Mr. Mathew Cyriac, Non-Executive Director is the Chairman of the Committee. The members of the Committee as on March 31, 2021 is as under:

Sr. No	Name of the Members	Category
1.	Mr. Mathew Cyriac	Chairman
2.	Mr. Richard B Saldanha	Member
3.	Mr. Sivaramakrishnan Ganapathi	Member

Ms. Shrithee M S, Company Secretary is our Compliance Officer under the Listing Regulations.

During the year under review, 1(one) meeting of the Stakeholders' Relationship Committee was held on September 25, 2020 in compliance with the provisions of the Companies Act, 2013. The number of meetings attended during the year under review are as under

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Mathew Cyriac, Chairman	1	1
Mr. Richard B Saldanha, Member	1	1
Mr. Sivaramakrishnan Ganapathi – Member	1	1

The Stakeholders' Relationship Committee is primarily responsible for Redressal of shareholders'/investors'/ Security holders' grievances including complaints related to transfer of shares, non-receipt of declared dividends, annual reports etc.

The Committee is to examine and redress shareholders' and investors' complaints. The status of complaints and share transfers is reported to the Board.

The Company through its Registrar and Share Transfer Agents has resolved the investors' grievances / correspondence at the earliest from the date of their receipt.

Monitor implementation of the Company's code of Conduct for prohibition of Insider Trading.

The statistics of Shareholders complaints received / redressed, during the year under review is appended below:

No. of Shareholders complaints pending as at April 01, 2020	Nil
No. of Complaints relating to Non-receipt of dividend warrants, redemption / interest warrants, annual reports, share certificates, endorsement stickers, change of address, deletion of name and others received during the year April 01, 2020 to March 31, 2021	3
No. of Shareholders complaints resolved during the year April 01, 2020 to March 31, 2021	3
No. of Shareholders complaints pending as on March 31, 2021	Nil

Secretarial Audit for Reconciliation of Capital

A Secretarial Audit was carried out by Mr. Nagendra D. Rao, Practising Company Secretary for reconciling 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 total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board of Directors.

3. Nomination & Remuneration Committee

Nomination & Remuneration Committee ("the Committee") currently comprises of Four Directors of which two are Independent Directors. The Committee has been reconstituted w.e.f. June 26, 2020 and the members of the Committee as on March 31, 2021 is as under:

Sr.No	Name of the Members	Category
1.	Ms. Anuradha Sharma	Chairperson
2.	Mr. Richard B Saldanha	Member
3.	Mr. Mathew Cyriac	Member
4.	Mr. Gautham Madhavan*	Member

*Mr. Gautham Madhavan was inducted as a member of Nomination and Remuneration Committee w.e.f. June 26, 2020.

The Nomination & Remuneration Committee met on June 26, 2020; July 29, 2020 and October 22, 2020, during the year 2020

-21. The number of meetings attended during the year under review are as under:

Name of the Director	No. of the Meetings	No. of the Meetings Attended
Ms. Anuradha Sharma, Chairperson	3	3
Mr. Richard B Saldanha, Member	3	3
Mr. Mathew Cyriac, Member	3	3
Mr. Gautham Madhavan, Member	3	3

Terms of Reference:

To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of their appointment and /or removal.

To carry out evaluation of Directors' performance.

To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

To formulate the criteria for evaluation of Independent Directors and the Board.

To recommend/review remuneration of the Managing Director(s) and Whole-Time Director(s) based on their performance and defined assessment criteria.

To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties including carrying out any other functions within its terms of reference as outlined in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013.

4. Corporate Social Responsibility Committee

Currently the Committee consists of (4) four directors chaired by Mr. Richard B Saldanha, an Independent Director. The members of the Committee as on March 31, 2021 is as under:

Sr.No	Name of the Members	Category
1.	Mr. Richard B Saldanha	Chairman
2.	Ms. Anuradha Sharma	Member
3.	Mr. Mathew Cyriac	Member
4.	Mr. Sivaramakrishnan Ganapathi	Member

During the year under review, 1(one) meeting of the Corporate Social Responsibility Committee was held on March 30, 2021 in compliance with the provisions of the Companies Act, 2013. The number of meetings attended during the year under review are as under

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Richard B Saldanha, Chairman	1	1
Ms. Anuradha Sharma, Member	1	1
Mr. Sivaramakrishnan Ganapathi, Member	1	1
Mr. Mathew Cyriac, Member	1	1

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy'.

A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms part of the Board's Report.

INDEPENDENT DIRECTORS MEET

In accordance with the provisions of the Companies Act, 2013, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management. Directors on the Board to abide by the provisions specified in Schedule IV of the Companies Act, 2013 which defines Code for Independent Directors. During the year, separate meeting of the Independent Directors of the Company was held on March 30, 2021.

Name of Director	No. of the Meetings	No. of the Meetings Attended
Ms. Anuradha Sharma	1	1
Mr. Richard B Saldanha	1	1

Terms of the Meet

Review the performance of the Non-Independent Directors and Board as a whole and also the Chairperson of the Company to assess the quality, quantity and timely flow of information between the Company and management. Board needs to provide effective strategic direction to the Company and to direct on key decisions impacting the performance of the Company. To review the financial performance of the Company and suggest corrective actions.

FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

The website link for the familiarization programme of Independent Directors is as follows:

https://www.gokaldasexports.com/wp-content/uploads/2019/11/Familiarisation_Program_For_Independent_Directors-1.pdf

RISK MANAGEMENT

The Board reviews the Company's risk management practices and policies periodically. This includes comprehensive review of various risks attached to the Company's business for achieving key objectives and actions taken to mitigate them. The Board reviews and advises on risk management aspects inter alia in the areas of leadership development, information security, project management and execution risks, contracts management risks, financial risks, forex risks and geopolitical risks.

SUBSIDIARY COMPANIES' MONITORING FRAMEWORK

All the Company's subsidiaries are wholly owned subsidiaries with their Boards having rights and obligations to manage such Companies in the best interest of the stakeholders. The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent Director of the Company on the Board of any subsidiary. The Audit Committee reviews the financial statements in particular investments made by unlisted subsidiary companies, Minutes of the Board meetings of unlisted subsidiary companies are placed and reviewed periodically by the Company's Board. A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

OTHER DISCLOSURES

Disclosures on materially significant related party transactions

The related party transactions during the year ended March 31, 2021 have been listed in the notes to the accounts. Shareholders may please refer the same. However, these are not in conflict with the interests of the Company at large. There are no material individual transactions which are not in the normal course of business.

The Policy of the Company on Related Party Transaction is available on our website www.gokaldasexports.com

Disclosures regarding Web link of the Company Policy for determining material subsidiaries and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website www.gokaldasexports.com.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any member related to capital markets.

There has been no non-compliance of any legal requirements nor have there been any strictures imposed by any stock exchange, SEBI or any other statutory authorities on any matters relating to the capital markets.

Whistle Blower Policy

The Company has established a mechanism for directors and employees to report concerns about unethical behavior actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. The policy is available on the Company website: www.gokaldasexports.com

During the year under review, there are no instances of fraud committed against the Company by its Officers or employees which have been reported to the Audit Committee. Hence there is no requirement for the Company to mention the same in the Board's report.

Policy for (Prevention, Prohibition and Redressal) – Sexual Harassment of Women at work place

Your Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at work place in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual temporary, trainees) are covered under this policy.

An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination at work place.

The details are as follows:

Number of complaints received during the Financial Year	1
Number of complaints disposed off during the Financial Year	1
Number of complaints pending as on end of the Financial Year	0

Non Compliance of any requirement of Corporate Governance report of sub paras (2) to (10) of Schedule V (c) of the Listing Regulations : NIL

The Company has also complied with the following discretionary requirements specified in Part E of Schedule II in terms of Regulations 27(1)

- Separate posts of Chairman and CEO : The position of the Chairman and CEO are separate.

- Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on Annual Financial Results of the Company for the Financial Year ended on March 31, 2021.

- Internal Auditors periodically apprise the Audit Committee on findings / observations of Internal Audit and actions taken thereon.

- In addition to the statutory requirements, the Audit Committee have a separate discussion / meeting with the Statutory Auditor and Internal Auditors on matters concerning the Audit without the presence of Executive Management of the Company. Measures for improvements are discussed with the Executive Management.

Certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the board/ministry of corporate affairs or any such statutory authority

The Company has obtained a certificate from Mr. Nagendra D. Rao, Practicing Company Secretary (Membership No FCS 5553, CP No. 7731), Secretarial Auditor of the Company, regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority.

The requisite certificate from Mr. Nagendra D. Rao, Secretarial Auditor of the Company is annexed herewith.

Secretarial Compliance Report

Pursuant to Regulation 24(A) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other provisions as may be applicable, the Company has obtained the Secretarial Compliance Report from Mr. Nagendra D Rao, Practicing Company Secretary (Membership No FCS 5553, CP No. 7731). The report is annexed herewith.

Total Fees for all services paid by the listed entity 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

Total Fees for all the services paid by the Company to MSKA & Associates, Chartered Accountants (ICAI Firm registration number: 105047W), Statutory Auditor, is included in the financial statement of the Company for the year ended March 31, 2021, is as follows;

Particulars	Amount in ₹ (In lakhs)
Audit fees (including fees for audit of consolidated and standalone financial statements and quaterly limited reviews)	33.00
Out of pocket expenses	1.03
Total payment to statutory auditors (exclusive of GST)	34.03

Compliance with Non-Mandatory Requirements

1. The Board: The Company does not maintain a separate office for Non-executive Chairman. The Independent Directors have requisite qualifications and experience to act as director on the Board.

2. Shareholders Rights: Quarterly results are published in widely circulating national and local daily newspapers such as the Financial Express and Praja Vani. These were not sent individually to the shareholders.

3. Audit Qualifications: The auditor report does not contain any qualifications.

4. Separate post of Chairman and Chief Executive Officer: The Company has separate persons to the post of Chairman and Managing Director.

5. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSE (B) TO (I) OF SUBREGULATION (2) OF REGULATION 46 OF THE SEBI (LODR) REGULATIONS, 2015

The Company is in compliance with corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

FUNCTIONAL WEBSITE OF THE COMPANY AS PER REGULATION 46 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website of the Company and website address of the Company is www.gokaldasexports.com. The Website of the Company provides basic information about the Company e.g, details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the Company is regularly updating the information provided on its website.

GENERAL BODY MEETING

Details of Annual General Meetings (AGM) of the Company held for the last three years:

Financial Year	Day, Date & Time	Location
2017-18	Tuesday, September 18, 2018, 2.30 P.M	NIMHANS Conventional Hall, Hosur Road, Bengaluru - 560 029
2018-19	Friday, September 13, 2019, 2.30 P.M	NIMHANS Conventional Hall, Hosur Road, Bengaluru - 560 029
2019-20	Friday, September 25, 2020, 2.30 P.M	Held through Video conferencing/ other Audio visual means

Special Resolutions passed during the last 3 Years

Date of AGM	Number of Special Resolutions	Details of Special Resolution passed
Tuesday, September 18, 2018	2	1. To approve continuation of office of Directorship of Mr. Arun K Thiagarajan (DIN: 00292757) as Independent Director. 2. To approve continuation of office of Directorship of Mr. Richard B Saldanha (DIN:00189029) as Independent Director
Friday, September 13, 2019	Nil	Nil
Friday, September 25, 2020	1	1. Re-appointment of Mr. Sivaramakrishnan Vilayur Ganapathi (holding DIN 07954560) as the Managing Director of the Company

Postal Ballot

Postal Ballot has not been conducted during the year 2020-21.

PREVENTION OF INSIDER TRADING

The Company has formulated an Insider Trading Policy in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This policy includes policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. The policy is available on the Company website: www.gokaldasexports.com

CERTIFICATE ON CORPORATE GOVERNANCE

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate from the Secretarial Auditor is obtained regarding compliance of conditions of corporate governance and is annexed and forms part of the Board's Report.

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate issued by the Managing Director and Chief Financial Officer on financial statements etc., is provided in the Annual Report.

MEANS OF COMMUNICATION

The annual audited financial results, the quarterly / half yearly unaudited financial results are generally published in the Financial Express and Praja Vani (a regional daily published from Bengaluru). These were not sent individually to the shareholders. The quarterly and the annual results of the Company are e-mailed/online filing/ and mailed to the stock exchanges on which the Company's shares are listed immediately of closure of meeting of the Board of Directors.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	September 17, 2021 at 2:30 PM. Through VC/ other audio visual means.
Date of Book Closure	September 11, 2021 (Saturday) September 17, 2021 (Friday) (Both days inclusive).
Financial Results Calendar (Tentative)	July 30, 2021 - Unaudited Results for the quarter and three months ended June 30, 2021. Last week of October, 2021- Unaudited Results for the quarter and six months or half yearly ended September 30, 2021. Last week of January, 2022 - Unaudited Results for the quarter and nine months ended December 31, 2021. Second week of May, 2022 - Audited Results for the year ended March 31, 2022
Listing on Stock Exchanges	National Stock Exchange of India Limited, Mumbai (Scrip Code - GOKEX) BSE Ltd, Mumbai (Scrip Code - 532630)
International Securities Identification Number (ISIN)	INE887G01027
Corporate Identification Number (CIN)	L18101KA2004PLC033475

Investor Grievances and Share Transfer

The Company has a Board level Stakeholders' Relationship Committee to examine and redress shareholders' and investors' complaints. The status on complaints and share transfers is reported to the Board. For matters like dividends, change of address, refunds, demat, remat of shares etc., the shareholders/investors communicate with KFin Technologies Private Limited, who are the Registrar and Share Transfer Agents of the Company. Their address is given in the section on General Shareholder Information.

Listing Fee

The Company has paid annual listing fees, as prescribed, to the National Stock Exchange of India Limited and BSE Limited, Mumbai for the Financial Year 2021-22.

Custodial Fee

Pursuant to the Securities and Exchange Board of India (SEBI) Circular No. MRD/DoP/SE/DEP/CIR-4/2005 dated January 28, 2005 and MRD/DoP/SE/DEP/CIR-2/2009 dated February 10, 2009, Issuer Companies are required to pay custodial fees to the depositories. Accordingly, the Company has paid custodial fee for the year 2021-22 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on March 31, 2021.

Registrar & Share Transfer Agents

Share registration and other investor related activities are carried out by our Registrar and Transfer Agents, M/s KFin Technologies Private Limited for both Physical and Demat securities. Their address is given below:

KFin Technologies Private Limited
Selenium Tower B, Plot No. 31& 32,
Financial District Nanakramguda, , Serilingampally Mandal
Hyderabad – 500 032, Telangana
Tel: +91 40 67162222/6716 1500,
E-mail: einward.ris@kfintech.com,
Website: www.kfintech.com
Contact person: Ms. Shobha Anand / Mr. N Shiva kumar

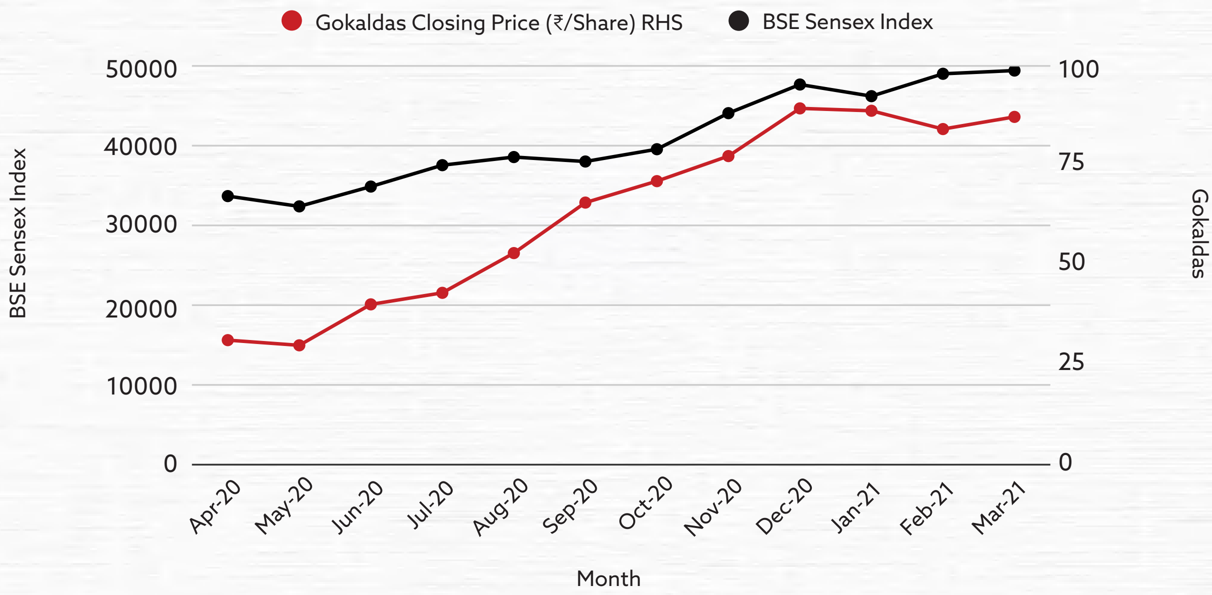
Share Transfer System

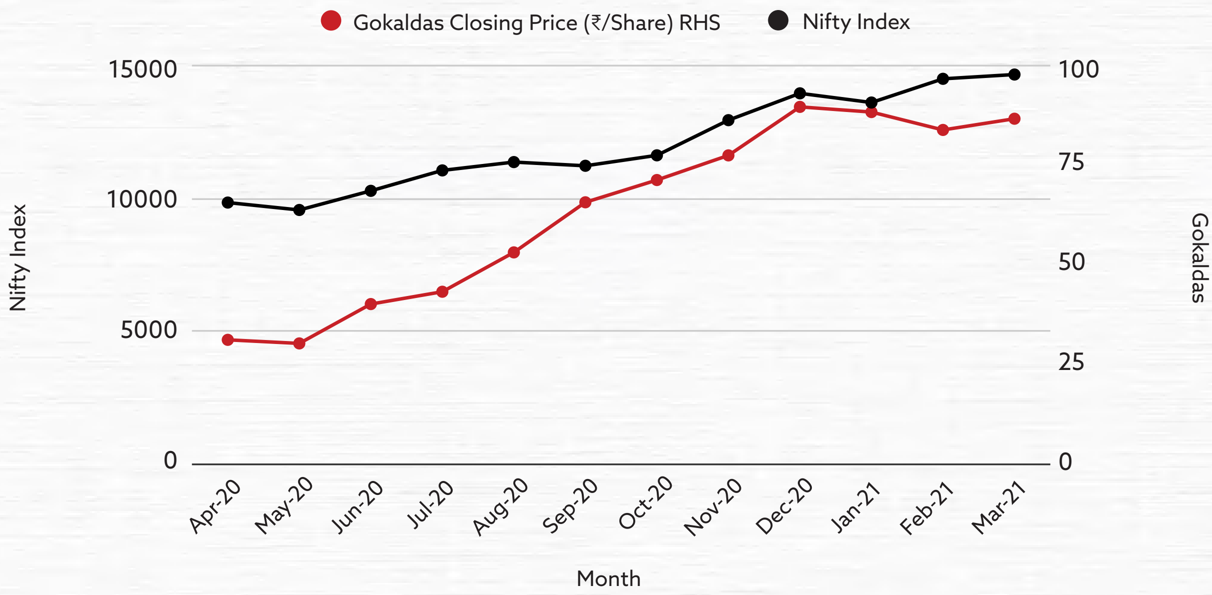
Shares sent for transfer in physical form are registered and dispatched within 15 days of receipt of the documents, if documents are found to be in order. Shares under objection are returned within 15 days. Monitoring of Share Transfers and other investor related matters are dealt with by the Shareholders' Grievance Committee. The Company's Registrars, M/s KFin Technologies Private Limited process the share transfers in respect of physical securities on a fortnightly basis and the processed transfers are approved by the authorized Executives of the Company also on a fortnightly basis. All requests for dematerialization of shares, which are in order, are processed within 15 days and the confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Stock Price Data: (Monthly High and Low)

Month	Bombay Stock Exchange(BSE)			National Stock Exchange(NSE)		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
April-20	39.75	27.60	2,41,666	40.00	27.80	23,67,356
May-20	34.90	28.05	1,22,565	32.30	28.05	11,34,138
Jun-20	43.70	31.80	9,26,081	43.80	29.40	92,05,245
Jul-20	51.30	37.30	10,70,414	51.30	37.20	86,33,902
Aug-20	61.00	41.25	8,41,245	61.45	41.30	54,50,684
Sep-20	69.35	51.00	3,70,623	69.45	51.40	30,36,142
Oct-20	86.00	65.15	7,22,395	86.00	65.50	62,50,740
Nov-20	84.00	67.90	6,13,491	83.70	68.05	63,59,258
Dec-20	99.40	74.50	10,11,851	99.50	74.15	1,12,58,339
Jan-21	98.90	82.40	5,62,598	98.45	82.20	50,25,251
Feb-21	87.70	75.90	4,08,997	87.80	75.25	32,33,116
Mar-21	89.40	76.35	6,37,047	89.00	76.00	60,61,314

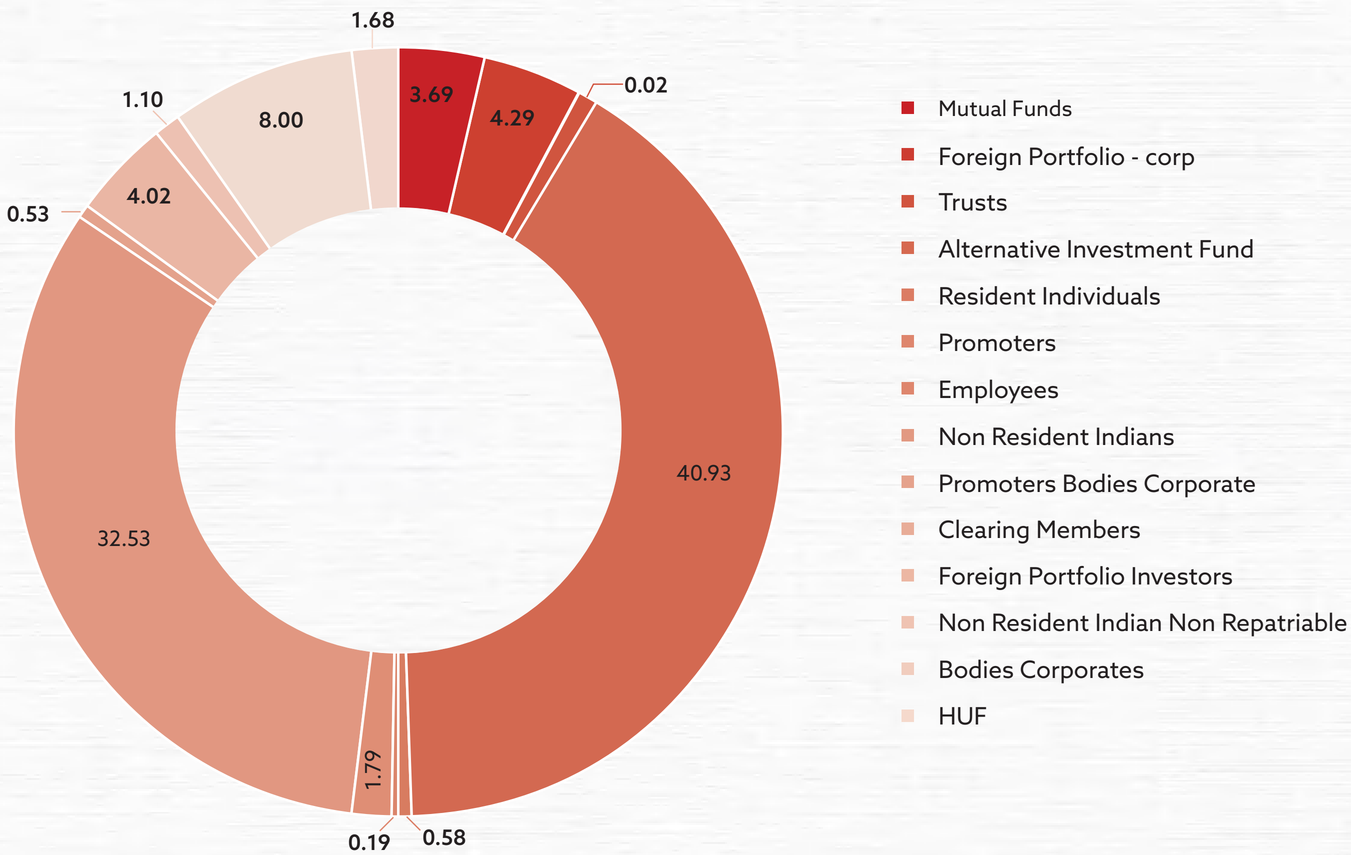
Stock Price Performance





Shareholding Pattern As on March 31, 2021:

Shareholding Pattern As On 31/03/2021							
Sl. No.	**Description**	**Without Grouping**			**With Grouping**		
		No. of Cases	**Total Shares**	**% Equity**	**No. of Cases**	**Total Shares**	**% Equity**
1	Mutual Funds	1	15,81,267	3.69	1	15,81,267	3.69
2	Foreign Portfolio - corp	1	18,40,000	4.29	1	18,40,000	4.29
3	Trusts	2	7,510	0.02	2	7,510	0.02
4	Alternative Investment Fund	1	2,75,000	0.64	1	2,75,000	0.64
5	Resident Individuals	23,547	1,75,55,812	40.94	23037	1,75,55,812	40.94
6	Promoters	2	2,49,391	0.58	1	2,49,391	0.58
7	Employees	10	83,327	0.19	10	83,327	0.19
8	Non Resident Indians	367	7,69,865	1.79	366	7,69,865	1.79
9	Promoters Bodies Corporate	1	1,39,55,957	32.53	1	1,39,55,957	32.53
10	Clearing Members	105	2,25,916	0.53	82	2,25,916	0.53
11	Foreign Portfolio Investors	1	17,24,328	4.02	1	17,24,328	4.02
12	Non Resident Indian Non Repatriable	208	4,73,272	1.10	207	4,73,272	1.10
13	Bodies Corporates	175	34,33,217	8.00	166	34,33,217	8.00
14	HUF	741	7,20,801	1.68	735	7,20,801	1.68
	Total:	**25,162**	**4,28,95,663**	**100.00**	**24611**	**4,28,95,663**	**100.00**



Top Ten shareholders of the Company as on March 31, 2021:

Sl. No.	DP Id	Folio/ Client ID	Name of Concern/ Person / Joint Name	Shares	% Equity
1	IN303559	10024009	Clear Wealth Consultancy Services LLP	1,39,55,957	32.53
2	IN300054	10101196	Can Lah Investments Pte Ltd	18,40,000	4.29
3	IN301348	20032456	Polus Global Fund	17,24,328	4.02
4	IN300054	10074069	L&T Mutual Fund Trustee Limited – L & T Emerging Business Fund	15,81,267	3.69
5	IN302927	10137278	Teesta Retail Pvt Ltd	14,13,513	3.30
6	IN303173	20014641	Sankaranarayanan Sangameswaran Deepa Sankaranarayanan	11,21,068	2.61
7	IN302927	10121536	Teesta Retail Pvt Ltd	8,67,000	2.02
8	IN301549	57550976	Parvesh Gandotra Pathik Gandotra	7,94,600	1.85
9	IN301549	51263409	Pathik Shyamsunder Gandotra Parvesh Gandotra	6,45,400	1.50
10	49800	1204980000269820	Securities Holdings India Pvt Ltd	6,05,000	1.41

Distribution of Shareholdings as on March 31, 2021:

GOKALDAS EXPORTS LIMITED					
Distribution of Shareholding as on 31/03/2021 (TOTAL)					
Sl. No.	**Category (Shares)**	**No. of Holders**	**% To Holders**	**No.of Shares**	**% To Equity**
1	1 - 5000	24,186	98.28	76,10,294	17.75
2	5,001 - 10,000	217	0.88	15,52,331	3.62
3	10,001 - 20,000	103	0.42	15,32,304	3.57
4	20,001 - 30,000	33	0.13	8,35,086	1.95
5	30,001 - 40,000	14	0.06	4,85,274	1.13
6	40,001 - 50,000	13	0.05	5,85,332	1.36
7	50,001 - 1,00,000	20	0.08	14,41,403	3.36
8	1,00,001 - and above	25	0.10	2,88,53,639	67.26
	Total	**24,611**	**100.00**	**4,28,95,663**	**100.00**

Dematerialization of shares and Liquidity without grouping as on March 31, 2021:

GOKALDAS EXPORTS LIMITED				
CONTROL REPORT AS ON 31/03/2021				
Sl. No.	**Description**	**Cases**	**Shares**	**% Equity**
1	PHYSICAL	37	615	0.00
2	NSDL	13,218	3,65,18,104	85.13
3	CDSL	11,907	63,76,944	14.87
	Total:	**25,162**	**4,28,95,663**	**100.00**

No of Shares in Demat form without grouping as on March 31, 2021:

No. of shares	% of shares	No. of Shareholders	% of Shareholders
4,28,95,048	100.00	25,125	100.00

Plant Locations

Sr. No	Particulars
1.	Carnival Clothing Co. No.2/A-1,Chikkaveeranna Road Cross, Bannimantap Etn, Mysore – 570015, Karnataka GSTIN:29AACCG0895N1Z0
2.	Euro Clothing Co - I No.122/1,Doddabidarakallu Village, Yeshwanthpur Hobli, Bengaluru North Taluk, Bengaluru - 560 073, Karnataka GSTIN:29AACCG0895N1Z0
3.	Gokaldas Exports Ltd Sez Division, Plot No.6/1, Phase - 2, MEPZ - Sez, Tambaram, NH - 45, Chennai - 600 045, Tamil Nadu GSTIN:33AACCG0895N1ZB
4.	Global Garments Near Ring Road, Gubbi Gate Tumkur - 572 101, Karnataka GSTIN:29AACCG0895N1Z0
5.	Global Garments-III No.44, 3rd Cross, Industrial Suburb, Yeshwanthpur, Bengaluru - 560 022, Karnataka GSTIN:29AACCG0895N1Z0
6.	Gokaldas India No.21C & 21B, Survey No.34,35,36 & 37, Nallakadaranahalli, Peenya II Stage, Industrial Area, Peenya, Bengaluru - 560 058, Karnataka GSTIN:29AACCG0895N1Z0
7.	Hinduja Processing & Finishing Unit No.2, 5th Cross, Mysore Road, Bengaluru - 560 023, Karnataka GSTIN:29AACCG0895N1Z0
8.	International Clothing Company – I #B2, B3 & B4, Indl Estate, Madanapalli - 517 325, Chittoor District, Andhra Pradesh GSTIN:37AACCG0895N1Z3
9.	Indigo Blues Plot No-2, KIADB Industrial Area, Doddaballapur - 581 203. Karnataka GSTIN:29AACCG0895N1Z0
10.	J.D.Clothing Company No.9, Rajajinagar Industrial Estate, Bengaluru - 560 010, Karnataka GSTIN:29AACCG0895N1Z0
11.	Sri Krishna Industries No.25/26, 3rd Main Road, Industrial Suburb, Yeshwanthpur, Bengaluru - 5 60 022, Karnataka GSTIN:29AACCG0895N1Z0
12.	Triangle Apparels – VI # 25/26,3rd Main Road, Industrial Suburb, Yeshwanthpur, Bengaluru – 560 022, Karnataka GSTIN:29AACCG0895N1Z0

13.	Venkateshwara Clothing Company No.10, KHB, Colony Industrial Area, Yelahanka, Bengaluru - 560 064, Karnataka GSTIN:29AACCG0895N1Z0
14.	Wearcraft Apparels – I No.17/1-38/4-1, Industrial Suburb, Yeshwanthpur, Bengaluru - 560 022, Karnataka GSTIN:29AACCG0895N1Z0
15.	The Wearwel I (Unit of SNS Clothing Pvt Ltd) Industrial Estate N.H-206,Hindiskere Gate, Tiptur - 572 201, Karnataka GSTIN:29AAICS5776NJ1ZC
16.	Gokaldas Exports Ltd – Unit I (Hassan) Plot No.119, KIADB Growth Centre, SH – 57, Hassan – 573 201, Karnataka GSTIN:29AACCG0895N1Z0
17.	Atlantic Apparels Plot No.28D & 28E, Belavadi Industrial Area, Mysore - 570 018, Karnataka GSTIN:29AACCG0895N1Z0

Credit Ratings

The credit rating agency ICRA has assigned the credit ratings of the Company as BBB (Outlook : Stable Reaffirmed) for long term debt and A3+ (A Three Plus) for short term borrowings during the Financial Year 2020-21.

Address for Correspondence

Company : **Gokaldas Exports Ltd** **Registered Office:** No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur Bangalore - 560 022, Karnataka Ph: +91 80 68951000 Email: info@gokaldasexports.com Website : www.gokaldasexports.com	Registrar and Transfer Agent: **Ms. K. Shobha Anand,** Deputy General Manager KFin Technologies Private Limited **Selenium Tower B, Plot No. 31 & 32,** Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana Phone: 040-6716 2222/ 6716 1500

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors
Gokaldas Exports Limited

1) We have reviewed financial statements (standalone and consolidated) and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

    - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    - These statements together present a true and fair view of the listed entity's affairs and are in compliance with Indian accounting standards, applicable laws and regulations.

2) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

3) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and that we have evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies if any in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.

4) We have indicated to the Auditors and the Audit Committee

    - Significant changes in Internal Control over Financial Reporting if any during the year;

    - Significant changes in Accounting Policies if any during the year and that the same have been disclosed in the notes to the financial statements; and

    - Instances of significant fraud if any of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over Financial Reporting.

For Gokaldas Exports Limited,

Place: Bengaluru
Date: May 14, 2021

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of
Gokaldas Exports Limited
No. 25, Second Cross, Third Main,Industrial Suburb, Yeshwantpur, Bengaluru – 560 022.

I have examined the compliance of the conditions of Corporate Governance by Gokaldas Exports Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

I further state that such compliance 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.

Signature

Place: Bengaluru
Date: May 14, 2021

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
UDIN: F005553C000300551

543/A, 7th Main,
3rd Cross, S. L. Bhyrappa Road,
Hanumanthnagar,
Bengaluru - 560 019, Karnataka

CERTIFICATE PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
Gokaldas Exports Limited,
No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru - 560 022, Karnataka

I have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of **Gokaldas Exports Limited** having CIN **L18101KA2004PLC033475** and having registered office at **Gokaldas Exports Limited, No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560 022** (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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 09, 2018 issued by SEBI.

In my opinion and to the best of my information and according to the verifications (including 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 who were on the Board of the Company as on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.**

Ensuring the eligibility of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

We have conducted necessary verifications as much as is appropriate to obtain reasonable assurance about the eligibility or disqualification of the Directors on the Board of the Company.

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.

Signature

Place: Bengaluru
Date: May 14, 2021

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
UDIN: F005553C000300595

543/A, 7th Main,
3rd Cross, S. L. Bhyrappa Road,
Hanumanthnagar,
Bengaluru - 560 019, Karnataka

Financial Statements

STANDALONE FINANCIAL STATEMENTS

88	Independent Auditor's Report
96	Standalone Balance Sheet
97	Standalone Statement of Profit and Loss
98	Standalone Statement of Changes in Equity
100	Standalone Cash Flow Statment
102	Notes to Standalone Financial Statement

Independent Auditor's Report

To the Members of Gokaldas Exports Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Gokaldas Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, 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 Standards 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to the following matters in the Notes forming part of the standalone financial statements for the year ended March 31, 2021- :

a) Note 48 to the standalone financial statements which states that export incentives under RODTeP Scheme applicable w.e.f 1 January 2021 amounting to ₹ 757 lakhs has been recognised on the basis of certain assumptions including previous applicable rates, as the rates are yet to be notified under the said scheme.

b) Note 52 to the standalone financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Allowance for doubtful debts Refer Note 11 to the financial statements. The carrying value of Trade Receivables for goods is ₹ 17,983.57 lakhs. The company has recognised the expected credit loss (ECL) in respect of trade receivable for goods on management's best estimate of the loss allowance. The ECL allowance is computed based on a simplified model based on judgement considering past experience. The calculation of ECL allowance is a complex area and requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the historical information and estimating the level and timing of expected future cash flows. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: • Consideration of Trade Receivables Ageing Analysis. • Consideration of probability of forward looking macro-economic factors including significant factors adversely affecting specific customers. This is considered as a Key Audit Matter as calculation and estimation of ECL is subject to significant judgement based on management estimates.	Our audit procedures in respect of this area included: 1. Obtained understanding of the Company's policy on assessment of expected credit loss against trade receivables, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls on a sample basis. 2. Assessing the recoverability of the amounts due, through inquiry with management and verifying corroborative evidence to support the conclusions drawn. 3. Assessing management's estimate and related policies w.r.t expected credit loss provision. 4. Reviewing legal and other documentation available with the Company to understand the legal position of the Company and confirm facts relating to the matter. 5. Verifying the transactions on test check basis with the underlying supporting documents including subsequent realisations. 6. Inspecting the documentation received from the customer for the settlements confirmed and claims filed. 7. Reviewed the management assessment of subsequent event. 8. Assessed the methodology applied for recognising expected credit loss against the trade receivables in the current year and compared the Company's provisioning rates against historical collection data. 9. Evaluated the appropriateness of the disclosures made in the financial statement in relation to such provision as required under applicable accounting standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc but does not include the standalone financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report etc is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Management report, Chairman's statement, Director's report etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 to the standalone financial statements.

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFT6979

Place: Bengaluru
Date: May 14, 2021

Annexure A to the Independent Auditor's Report on even date on the Standalone Financial Statements of Gokaldas Exports Limited

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

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

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

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

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

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

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

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

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFT6979

Place: Bengaluru
Date: May 14, 2021

Annexure B to Independent Auditors' Report of even date on the Standalone Financial Statements of Gokaldas Exports Limited for the year ended March 31, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, 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 are held in the name of the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

₹ in lakhs

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Various Disallowances	278.43	A.Y. 1995-96	Hight Court
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Interest and Penalty, etc.	122.54	April 2005-08, June 2008 to August 2008 & July 2008 to July 2015	Employees Provident Fund Tribunal

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.

ix. In our opinion, according to the information and explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFT6979

Place: Bengaluru
Date: May 14, 2021

Annexure C to the Independent Auditor's Report of even date on the Standalone Financial Statements of Gokaldas Exports Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone financial statements of Gokaldas Exports Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFT6979

Place: Bengaluru
Date: May 14, 2021

Standalone Balance Sheet

as at March 31, 2021

₹ in lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non- current assets			
Property, plant and equipment	3 (a)	12,514.56	12,694.46
Capital work-in-progress	3 (a)	-	78.98
Right-of-use assets	3 (b)	10,838.60	4,206.45
Other intangible assets	4	190.11	220.06
Financial assets			
Investments in subsidiaries and others	5(a)	1,987.75	1,987.75
Loans	6	2,802.25	3,398.32
Other financials assets	7(a)	14,707.82	13,907.58
Deferred tax assets (net)	8(a)	680.90	74.19
Income tax assets (net)	8(b)	650.66	1,162.92
Other non current assets	9	336.21	204.01
Total non-current assets		**44,708.86**	**37,934.72**
Current assets			
Inventories	10	25,763.43	28,630.46
Financial assets			
Investments	5(b)	3,680.89	3,551.45
Trade receivables	11	17,983.57	14,352.92
Cash and cash equivalents	12	1,497.57	1,223.45
Other financials assets	7(b)	1,464.14	671.65
Other current assets	9	5,402.89	7,556.89
Total current assets		**55,792.49**	**55,986.82**
Total assets		**1,00,501.35**	**93,921.54**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,144.78	2,141.28
Other equity	14	27,042.14	20,725.05
Total equity		**29,186.92**	**22,866.33**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	1,884.27	-
Lease liabilities	16	8,435.87	2,865.95
Provision for employee benefits	17	521.68	450.81
Total non-current liabilities		**10,841.82**	**3,316.76**
Current liabilities			
Financial liabilities			
Borrowings	15	31,995.26	39,095.07
Trade payables	18		
Total outstanding dues of micro, small and medium enterprises		51.71	24.39
Total outstanding dues of creditors other than micro, small and medium enterprises		11,075.37	11,352.49
Lease liabilities	16	2,667.28	2,031.94
Other current financial liabilities	19	10,659.57	11,188.09
Other current liabilities	20	901.16	1,003.89
Provision for employee benefits	17	2,784.47	3,042.58
Current tax liability (net)	21	337.79	-
Total current liabilities		**60,472.61**	**67,738.45**
Total equity and liabilities		**1,00,501.35**	**93,921.54**
Summary of significant accounting policies.	2.2		
The accompanying notes are an integral part of these standalone financial statements.			

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

₹ in lakhs

	Particulars	Note No.	March 31, 2021	March 31, 2020
I	**Income**			
	Revenue from operations	22	1,20,932.28	1,36,790.86
	Other income	23	1,208.00	1,619.91
	Total income		**1,22,140.28**	**1,38,410.77**
II	**Expenses**			
	Cost of raw materials and components consumed	24	56,544.46	69,505.56
	Changes in inventories of finished goods and work-in-progress	25	3,804.80	(618.94)
	Employee benefits expense	26	37,121.86	46,698.75
	Finance costs	27	3,426.03	3,654.55
	Depreciation and amortization expenses	28	5,213.91	5,434.45
	Job work charges		1,203.70	1,062.79
	(Gain)/loss on account of foreign exchange fluctuations (net)		155.96	(1,292.81)
	Other expenses	29	12,039.53	12,724.42
	Total expenses		**1,19,510.25**	**1,37,168.77**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**2,630.03**	**1,242.00**
IV	**Exceptional items**	**30**	-	(1,993.94)
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**2,630.03**	**3,235.94**
VI	**Tax expenses**			
	Current tax		680.90	74.19
	Adjustment of tax relating to earlier years		5.71	-
	Deferred tax (credit)/charge		(680.90)	(74.19)
			5.71	**-**
VII	**Profit/(Loss) after tax for the year (V-VI)**		**2,624.32**	**3,235.94**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plan		165.68	(198.89)
	Income tax effect		-	-
	Items that will be reclassified to profit or loss in subsequent periods:			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		3,006.78	(3,401.95)
	Total other comprehensive income/ (loss) for the year, net of tax		**3,172.46**	**(3,600.84)**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**5,796.78**	**(364.90)**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2020- ₹ 5)]**	**30**		
	Basic EPS		6.12	7.56
	Diluted EPS		5.78	7.11
	Summary of significant accounting policies	2.2		
	The accompanying notes are an integral part of these standalone financial statements.			

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Deepak Rao
Partner
Membership No.: 113292

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2019	4,28,15,663	2,140.78
Add: Issued during the year	10,000	0.50
At March 31, 2020	**4,28,25,663**	**2,141.28**
At April 1, 2020	4,28,25,663	2,141.28
Add: Issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**

B. OTHER EQUITY

For the year ended March 31, 2021

₹ in lakhs

Particulars	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2020	**20,459.15**	**2,192.09**	**9,754.45**	**1,131.81**	**(10,786.68)**	**(2,025.77)**	**20,725.05**
Profit for the year	-	-	-	-	2,624.32	-	2,624.32
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	3,006.78	3,006.78
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	165.68	-	165.68
Total comprehensive income	**20,459.15**	**2,192.09**	**9,754.45**	**1,131.81**	**(7,996.68)**	**981.01**	**26,521.83**
Additions on account of shares issued during the year	-	-	-	-	-	-	-
Change in accounting policy on adoption of Ind AS 116	-	-	-	-	-	-	-
Transfer to securities premium on exercise of equity stock options	50.59	-	-	(50.59)	-	-	-
Share based payment expense	-	-	-	520.31	-	-	520.31
At March 31, 2021	**20,509.74**	**2,192.09**	**9,754.45**	**1,601.53**	**(7,996.68)**	**981.01**	**27,042.14**

For the year ended March 31, 2020

₹ in lakhs

Particulars	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2019	**20,404.44**	**2,192.09**	**9,754.45**	**479.87**	**(12,392.47)**	**1,376.18**	**21,814.56**
Profit for the year	-	-	-	-	3,235.94	-	3,235.94
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	(3,401.95)	(3,401.95)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	(198.89)	-	(198.89)
Total comprehensive income	**20,404.44**	**2,192.09**	**9,754.45**	**479.87**	**(9,355.42)**	**(2,025.77)**	**21,449.66**
Additions on account of shares issued during the year	2.72	-	-	-	-	-	2.72
Change in accounting policy on adoption of Ind AS 116	-	-	-	-	(1,431.24)	-	(1,431.24)
Transfer to securities premium on exercise of equity stock options	51.97	-	-	(51.97)	-	-	-
Share based payment expense	-	-	-	703.91	-	-	703.91
At March 31, 2020	**20,459.13**	**2,192.09**	**9,754.45**	**1,131.81**	**(10,786.66)**	**(2,025.77)**	**20,725.05**

Refer note 2.2 for summary of significant accounting policies.

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

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Standalone Cash Flow Statement

for the year ended March 31, 2021

₹ in lakhs

Particulars	Note No.	March 31, 2021	March 31, 2020
Cash flow from operating activities			
Profit before exceptional items and tax		**2,630.03**	**1,242.00**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation / amortization expense		5,213.91	5,434.45
Net (gain) / loss on disposal of property, plant and equipment		(61.39)	(43.47)
Unrealised foreign exchange (gain)/loss, (net)		(189.10)	232.37
Gain on sale of investments in mutual fund units		(143.76)	(168.24)
Income from government grant		(158.17)	(570.37)
Share based payments to employees		520.31	703.91
Interest income		(742.09)	(970.30)
Finance costs		3,426.03	3,654.55
Irrecoverable balances written off		84.00	-
Provision for doubtful debts		813.77	514.01
Export Incentives Receivables written off		-	(610.84)
Excess provision of earlier years written back		-	(5.17)
Operating profit/(loss) before working capital changes		**11,393.54**	**9,412.90**
Changes in operating assets and liabilities:			
(Increase)/ decrease in loans		(87.99)	(1,131.76)
(Increase)/ decrease in other financial assets		(38.42)	0.48
(Increase)/ decrease in other assets		1,932.48	(1,397.98)
(Increase)/ decrease in inventories		2,867.03	(2,859.56)
(Increase)/ decrease in trade receivables		(4,620.52)	1,663.90
Increase/ (decrease) in provisions for employee benefits		(21.56)	296.96
Increase/ (decrease) in trade payables		(249.80)	2,819.33
Increase/ (decrease) in other financial liabilities		461.30	858.12
Increase/ (decrease) in other liabilities		(102.73)	89.95
		11,533.33	9,752.34
Direct taxes refunded/ (paid) (net of refund/payments)		237.63	33.57
Net cash flows from/ (used in) operating activities (A)		**11,770.96**	**9,785.91**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(3,622.12)	(3,775.39)
Proceeds from sale of property, plant and equipment		214.25	2,994.88
Investments in bank deposits		(14,703.28)	(13,684.42)
Redemption of bank deposits		13,911.01	13,022.50
Investment in mutual fund units		(1,599.92)	(8,800.00)
Proceeds from sale of investment in mutual fund units		1,614.24	5,416.79
Interest income received		961.06	963.23
Net cash flows from/ (used in) investing activities (B)		**(3,224.76)**	**(3,862.41)**
Cash flow from financing activities			
Proceeds from issue of shares / exercise of share options		3.50	3.22
Proceeds of short-term borrowings		1,68,326.26	1,98,223.23
Repayment of short-term borrowings		(1,71,088.69)	(1,95,973.11)
Payment of lease liabilities		(2,930.34)	(3,786.57)
Finance costs paid		(2,854.30)	(2,854.13)
Net cash flows from/ (used in) financing activities (C)		**(8,543.57)**	**(4,387.36)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		2.63	1,536.14
Cash and cash equivalents at the beginning of the year	12	(951.87)	(2,488.01)
Cash and cash equivalents at the end of the year		**(949.24)**	**(951.87)**
Components of cash and cash equivalents			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents		1,497.57	1,223.45
Bank overdraft		(2,446.81)	(2,175.32)
Total cash and cash equivalents	**12**	**(949.24)**	**(951.87)**

Refer note 2.2 for summary of significant accounting policies.

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

1. Changes in liabilities arising from financial activities:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Liabilities arising from financing activities		
Short term borrowings		
Opening balance	**36,919.75**	**34,471.83**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(7,453.73)	2,250.12
Non-cash changes		
Foreign exchange fluctuations	82.43	197.80
Closing balance	**29,548.45**	**36,919.75**

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

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

1 CORPORATE INFORMATION

Gokaldas Exports Limited ('the Company') (having Corporate Identity Number (CIN): L18101KA2004PLC033475) was incorporated on March 1, 2004 by converting the erstwhile partnership firm Gokaldas India under Part IX of the Companies Act,1956. Pursuant to the order of the Hon'ble High Court of Karnataka dated November 20, 2004, Gokaldas Exports Private Limited and The Unique Creations (Bangalore) Private Limited had been amalgamated with the Company, with effect from April 1, 2004 being the appointed date. The Company currently operates a 100% Export Oriented Unit, a Domestic Tariff Area Unit and a Special Economic Zone Unit.

The Company is a public company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bangalore. The Company is engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Company is from manufacture and sale of garments and related products, both domestic and overseas.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its standalone financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these standalone financial statements.

2.1 STATEMENT OF COMPLIANCE WITH IND AS

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 1, 2016. The standalone financial statements of the Company, have been prepared and presented in accordance with Ind AS.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which are measured at fair value.

The functional and presentation currency of the Company is Indian Rupee (₹) which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or

> In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c. Foreign currencies

In preparing the standalone financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period

d. Revenue recognition

i. Revenue from Contracts with Customers:

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

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

Performance obligations and timing of revenue recognition:

The Company derives its revenue primarily from export of garments and related products, with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer/ agent nominated by the customer.

There is limited judgement needed in identifying the point when control passes:

- once physical delivery of the products has occurred to the location as per agreement,

- the Company no longer has physical possession,

- usually will have a present right to payment (as a single payment on delivery) and

- retains none of the significant risks and rewards of the goods in question"

The Company also derives some revenue from job work contracts. In these cases, revenue is recognised as and when services are rendered i.e. the products on which job work is performed is delivered to the customer at agreed location.

Determining the transaction price:

The Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no significant variable consideration invoved.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each unit sold, therefore, there is no judgement involved in allocating the contract price to each unit.

Costs of fulfilling contracts:

The costs of fulfilling contracts do not result in the recognition of a separate asset because such costs are included in the carrying amount of inventory for contracts involving the sale of goods.

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

Advances received from customers are in the nature of contract liability.

ii. Revenue from export incentives:

Export incentives are recognised on accrual basis in accordance with the applicable schemes formulated, by the Government of India and where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

iii. Interest income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income ('OCI'), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

iv. Dividends:

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend.

v. Others:

Insurance / other claims are recognized on acceptance basis.

e. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

f. Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the standalone statement of profit and loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the standalone balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Export incentives are recognized on accrual basis in accordance with the applicable schemes formulated, by the Government of India and where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

g. Taxes

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

h. Property, plant and equipment (PPE) and Intangible assets and Depreciation / amortization

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.

Freehold land is carried at historical cost and is not depreciated. Capital work in progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component / part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Depreciation is provided using the written down value method as per the useful lives of the assets estimated by the management with residual value at 5%, which is equal to the corresponding rates prescribed under schedule II of the Companies Act, 2013.

Category of asset	Estimated useful life (in years)
Buildings	30 years
Plant and Machinery	15 years
Electrical Equipment	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalized at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (2.5 years)	WDV	Acquired

i. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

k. Inventories

Inventories are valued as follows:

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work in progress and finished goods are valued at lower of cost or net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis. These are valued at lower of cost and net realisable value after considering provision for obsolescence and other anticipated loss, wherever considered necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l. Provisions and contingent liabilities

i. Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

ii. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, allowances and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India('LIC') and liability (net of fair value of investment in LIC) is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each balance sheet date. Every employee who has completed 4 years 240 days or more of the service gets a gratuity on departure at 15 days' salary (last drawn salary) of each completed year of service. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

n. Share- based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service / performance conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of standalone profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (except for anti-dilution).

o. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets excluding investments in subsidiary

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

ii. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

a. Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in the statement of profit and loss.

b. Cash flow hedge accounting

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the standalone statement of profit and loss.

q. Impairment of non-financial assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

r. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

s. Cash and Cash equivalent

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3 (a). PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ in lakhs

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value [1]												
At April 1, 2019	**734.78**	**1,595.98**	**778.12**	**10,926.89**	**385.61**	**262.90**	**362.47**	**372.77**	**74.22**	**15,493.74**	**144.76**	**144.76**
Additions	-	34.02	664.88	3,486.09	164.98	99.01	45.80	91.04	-	4,585.82	78.98	78.98
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(144.76)	(144.76)
Disposals	-	-	-	(126.60)	-	-	-	(1.39)	-	(127.99)	-	-
At March 31, 2020	**734.78**	**1,630.00**	**1,443.00**	**14,286.38**	**550.59**	**361.91**	**408.27**	**462.42**	**74.22**	**19,951.57**	**78.98**	**78.98**
Additions	-	21.87	703.87	1,131.61	152.06	241.99	158.58	143.90	-	2,553.88	6.72	6.72
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(85.70)	(85.70)
Disposals	-	-	-	(368.80)	-	(0.16)	-	-	(2.61)	(371.57)	-	-
At March 31, 2021	**734.78**	**1,651.87**	**2,146.87**	**15,049.20**	**702.65**	**603.74**	**566.85**	**606.32**	**71.61**	**22,133.89**	**-**	**-**
Depreciation												
At April 1, 2019	**-**	**375.32**	**236.88**	**3,672.63**	**110.41**	**137.98**	**146.77**	**252.57**	**28.29**	**4,960.85**	**-**	**-**
Charge for the year	-	254.27	278.54	1,540.80	62.68	78.17	39.72	90.25	9.03	2,353.46	-	-
Disposals	-	-	-	(56.03)	-	-	-	(1.17)	-	(57.20)	-	-
At March 31, 2020	**-**	**629.59**	**515.42**	**5,157.40**	**173.09**	**216.15**	**186.49**	**341.65**	**37.32**	**7,257.11**	**-**	**-**
Charge for the year	-	92.08	416.86	1,728.29	79.95	108.90	52.05	96.58	6.21	2,580.92	-	-
Disposals	-	-	-	(216.68)	-	(0.09)	-	-	(1.94)	(218.71)	-	-
At March 31, 2021	**-**	**721.67**	**932.28**	**6,669.02**	**253.04**	**324.96**	**238.54**	**438.23**	**41.59**	**9,619.33**	**-**	**-**
Net Book value												
At March 31, 2021	**734.78**	**930.20**	**1,214.59**	**8,380.18**	**449.61**	**278.78**	**328.31**	**168.09**	**30.02**	**12,514.56**	**-**	**-**
At March 31, 2020	**734.78**	**1,000.41**	**927.58**	**9,128.98**	**377.50**	**145.76**	**221.78**	**120.77**	**36.90**	**12,694.46**	**78.98**	**78.98**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 15 for information on property, plant and equipment pledged as security by the Company.

Capital work-in-progress mainly comprises of leasehold improvements under construction.

3 (b) RIGHT-OF-USE ASSETS

₹ in lakhs

Particulars	Right-of-use Buildings	Total
Cost		
At April 1, 2019	6,352.02	6,352.02
Additions	790.91	790.91
Deletions/Modifications	-	-
At March 31, 2020	**7,142.93**	**7,142.93**
Additions	10,138.88	10,138.88
Deletions/Modifications	(1,615.21)	(1,615.21)
Cost as at March 31, 2021	**15,666.60**	**15,666.60**
Amortisation		
Accumulated depreciation as at April 1, 2019	-	-
Additions	2,936.48	2,936.48
Deletions/Modifications	-	-
At March 31, 2020	2,936.48	2,936.48
Additions	2,470.26	2,470.26
Deletions/Modifications	(578.74)	(578.74)
Accumulated depreciation as at March 31, 2021	**4,828.00**	**4,828.00**
Net carrying value		
At March 31, 2021	**10,838.60**	**10,838.60**
At March 31, 2020	**4,206.45**	**4,206.45**

4 OTHER INTANGIBLE ASSETS

₹ in lakhs

Particulars	Computer Software	Total
Gross carrying value [1]		
At April 1, 2019	383.60	383.60
Additions	179.88	179.88
At March 31, 2020	**563.48**	**563.48**
Additions	132.78	132.78
At March 31, 2021	**696.26**	**696.26**
Amortisation and impairment		
At April 1, 2019	198.91	198.91
Amortisation	144.51	144.51
At March 31, 2020	**343.42**	**343.42**
Amortisation	162.73	162.73
At March 31, 2021	**506.15**	**506.15**
Net book value		
At March 31, 2021	**190.11**	**190.11**
At March 31, 2020	**220.06**	**220.06**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

5 (a) NON CURRENT INVESTMENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments in equity instruments (carried at amortised cost)		
(i) Unquoted equity shares of subsidiary companies (domestic companies)		
All Colour Garments Private Limited	333.98	333.98
20,000 (March 31, 2020 : 20,000) equity shares of ₹ 10 each, fully paid-up		
Vignesh Apparels Private Limited	80.89	80.89
20,000 (March 31, 2020 : 20,000) equity shares of ₹ 10 each, fully paid-up		
SNS Clothing Private Limited	1,776.00	1,776.00
20,000 (March 31, 2020 : 20,000) equity shares of ₹ 10 each, fully paid-up		
	2,190.87	**2,190.87**
Less: provision for diminution in value of investment in SNS Clothing Private Limited	203.39	203.39
Total investment in unquoted equity shares of subsidiary companies (domestic companies)	**1,987.48**	**1,987.48**
(ii) Investment in unquoted government securities		
Investment in National Savings Certificates	0.27	0.27
Total investment in unquoted government securities	**0.27**	**0.27**
(iii) Unquoted investment in preference shares in body corporates (carried at amortised cost)		
Yepme UK Limited	626.56	626.56
[22,577 (March 31, 2020: 22,577) 0.1% preference shares of GBP 1 each fully paid up]		
Less: Provision for diminution in value of investment (Refer note 1 below)	(626.56)	(626.56)
Total investment in unquoted equity shares in other body corporates	**-**	**-**
Total Non current investments (i+ii+iii)	**1,987.75**	**1,987.75**

Note 1:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
	-	-

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Aggregate amount of quoted investments and market value there of	Not applicable	Not applicable
Aggregate amount of unquoted investments	2,191.14	2,191.14
Aggregate amount of impairment in value of investments	829.95	829.95

5 (b) CURRENT INVESTMENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments carried at fair value through profit and loss		
Investment in liquid mutual fund units		
Quoted		
6,21,513 (March 31, 2020: 6,21,513) units ICICI Pru Liquid Direct-G	1,893.98	1,825.89
44,170 (March 31, 2020: 44,170) units HDFC Liquid Direct-G	1,786.91	1,725.56
Total Investment in mutual fund units	**3,680.89**	**3,551.45**
Aggregate carrying amount and market value of mutual fund investments	3,680.89	3,551.45

6 FINANCIAL ASSETS - LOANS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Security and other deposits	2,802.25	3,398.32
Total Financial assets - Loans	**2,802.25**	**3,398.32**

Security and other deposits are primarily in relation to public utility services and rental agreements.

7 FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
Carried at amortised cost			
Unsecured, considered good			
(a) Non current			
Bank balance held as security against the borrowings		14,692.11	13,899.84
Loan to employees		15.71	7.74
		14,707.82	**13,907.58**
(b) Current			
Derivative instruments at fair value through OCI			
Cash flow hedges - foreign exchange forward contracts		981.01	-
Other Financial assets at amortised cost			
Interest accrued on fixed deposits		417.70	636.67
Loan to employees		65.43	34.98
		1,464.14	**671.65**
Total other financial assets	**(a+b)**	**16,171.96**	**14,579.23**

8 (a) DEFERRED TAX ASSETS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
MAT credit entitlement	680.90	74.19
Total Deferred tax assets	**680.90**	**74.19**

Movement in deferred tax asset is as below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening balance	74.19	-
Recognised in profit and loss during the year	680.90	74.19
Recognised in other comprehensive income during the year	-	-
Reversed in profit and loss during the year	(74.19)	-
Closing balance	**680.90**	**74.19**

8 (b) NON CURRENT TAX ASSETS (NET)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Advance payment of income tax (including tax paid under protest)	650.66	1,162.92
Total non-current tax assets	**650.66**	**1,162.92**

9 OTHER CURRENT / NON-CURRENT ASSETS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
Non current			
(a) Unsecured, considered good			
Capital advances		102.93	192.25
Prepaid expenses		113.39	11.76
Export incentives receivable		119.89	-
		336.21	**204.01**
(b) Unsecured, considered doubtful			
Advance to suppliers		272.63	272.63
Export Incentives receivable		30.00	30.00
Less: Provision for doubtful advances and receivables		(302.63)	(302.63)
		-	-
Total non-current assets	**(a+b)**	**336.21**	**204.01**
Current			
(c) Unsecured, considered good			
Prepaid expenses		693.64	519.27
Balances with statutory / government authorities		1,230.73	1,145.15
Advance to suppliers		1,793.79	2,018.67
Export Incentives receivable		1,684.73	3,873.80
Total current assets		**5,402.89**	**7,556.89**
Total other current / non-current assets	**(a+b+c)**	**5,739.10**	**7,760.90**

10 INVENTORIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Raw materials (including packing materials) and components	9,200.50	8,321.11
Work-in-progress	11,736.31	15,473.90
Finished goods (readymade garments)	4,191.00	4,258.21
Consumables, stores and spares parts	635.62	577.24
Total inventories	**25,763.43**	**28,630.46**
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	319.62	175.50
Finished goods (readymade garments)	1,055.43	770.66
	1,375.05	**946.16**

(a) For method of valuation for each class of inventories, refer note 2.2(k)

(b) The value of inventores above is stated net of writedown of ₹ 4,383.31 lakhs as at March 31, 2021 (as at March 31, 2020: ₹ 3,412.24 lakhs)

(c) The carrying value of inventories as at March 31, 2021 and March 31, 2020 is pledged as security against the borrowings (refer note 15)

11 FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
Trade receivables:			
From related parties		-	-
From others		17,983.57	14,352.92
Total		**17,983.57**	**14,352.92**
(a) Breakup of trade receivables			
Secured, considered good		-	-
Unsecured, considered good		17,983.57	14,352.92
Trade Receivables which have significant increase in credit Risk		2,185.26	1,374.01
Trade Receivables - credit impaired		-	-
		20,168.83	**15,726.93**
(b) Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good		-	-
Trade Receivables which have significant increase in credit Risk		(2,185.26)	(1,374.01)
Trade Receivables - credit impaired		-	-
		(2,185.26)	**(1,374.01)**
Total financial assets - trade receivables	**(a+b)**	**17,983.57**	**14,352.92**

Notes:

i. The Company follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

ii. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

iii. Trade receivables are non-interest bearing.

12 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current		
Balances with banks		
In current accounts [1,2,]	1,490.37	1,213.61
Cash on hand	7.20	9.84
Total Financial assets - Cash and cash equivalents (Current)	**1,497.57**	**1,223.45**
Non-current		
Bank balances other than cash and cash equivalents		
Held as security against the borrowings		
Deposits with remaining maturity for more than 12 months	386.94	226.00
Deposits with original maturity of more than 3 months but less than/ equal to 12 months	14,305.17	13,673.84
	14,692.11	**13,899.84**
Amount disclosed under other financial assets	(14,692.11)	(13,899.84)
Total Financial assets - Cash and cash equivalents (Non current)	**-**	**-**

Notes:

[1] Balances with bank on current accounts does not earn interest.

[2] includes balances in Exchange Earner's Foreign Currency Accounts.

[3] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Balances with banks		
On current accounts	1,490.37	1,213.61
Cash on hand	7.20	9.84
	1,497.57	**1,223.45**
Less : Bank overdraft*	(2,446.81)	(2,175.32)
Net debt	**(949.24)**	**(951.87)**

Net debt reconciliation:

₹ in lakhs

Particulars	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 01, 2019	**1,110.23**	**(3,598.24)**	**(2,488.01)**
Cash flows	113.22	1,695.52	1,808.74
Interest charge	-	(272.60)	(272.60)
Net debt as at March 31, 2020	**1,223.45**	**(2,175.32)**	**(951.87)**
Cash flows	274.12	(64.12)	210.00
Interest charge	-	(207.37)	(207.37)
Net debt as at March 31, 2021	**1,497.57**	**(2,446.81)**	**(949.24)**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

13 EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Number of shares	Amount
Authorised share capital		
At April 1, 2019	5,50,00,000	2,750.00
Increase during the year	-	-
At March 31, 2020	**5,50,00,000**	**2,750.00**
Increase during the year	-	-
At March 31, 2021	**5,50,00,000**	**2,750.00**

(a) Issued equity capital

₹ in lakhs

Particulars	Number of shares	Amount
Equity shares of ₹5 each issued, subscribed and fully paid		
At April 1, 2019	4,28,15,663	2,140.78
Add: ESOP's issued during the year	10,000	0.50
At March 31, 2020	4,28,25,663	2,141.28
Add: RSU's issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**

(b) Terms/ rights attached to equity shares

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

(i) The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity is entitled to one vote per share.

(ii) The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend.

(iii) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Clear Wealth Consultancy Services LLP:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	1,39,55,957	1,39,55,957
% holding in the class	32.53%	32.59%
Teesta Retail Private Limited:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	22,80,513	22,80,513
% holding in the class	5.32%	5.33%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 40.

14 OTHER EQUITY

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
	Reserves and Surplus		
(A)	**Securities premium reserve**		
	Balance at the beginning of the year	20,459.15	20,404.46
	Add: received during the year on account of exercise of ESOP's	-	2.72
	Add: transfer from share based payments reserve	50.59	51.97
	Balance at the end of the year	**20,509.74**	**20,459.15**
	This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.		
(B)	**General reserve**		
	Balance at the end of the year	**2,192.09**	**2,192.09**
	Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.		
(C)	**Capital Reserve on Amalgamation**		
	Balance at the end of the year	**9,754.45**	**9,754.45**
	Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor company.		

(D)	**Share based payments reserve**		
	Balance at the beginning of the year	1,131.81	479.87
	Add: addition during the year	520.31	703.91
	Less: transfer to securities premium reserve	(50.59)	(51.97)
	Balance at the end of the year	**1,601.53**	**1,131.81**
	Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		
(E)	**Retained earnings**		
	Balance at the beginning of the year	(10,786.68)	(12,392.49)
	Change in accounting policy on adoption of Ind AS 116	-	(1,431.24)
	Restated balance	**(10,786.68)**	**(13,823.73)**
	Profit for the year	2,624.32	3,235.94
	Add: Remeasurement of post employment benefits obligations (net of deferred tax)	165.68	(198.89)
	Balance at the end of the year	**(7,996.68)**	**(10,786.68)**
	Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
(F)	**Cash flow hedging reserve**		
	Balance at the beginning of the year	(2,025.77)	1,376.18
	Add: Reclassified to the statement of profit and loss	3,006.78	(3,401.95)
	Balance at the end of the year	**981.01**	**(2,025.77)**
	When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss when related forecasted transaction (hedged item) affects the profit or loss.		
	Total other equity (A+B+C+D+E+F)	**27,042.14**	**20,725.05**

15 FINANCIAL LIABILITIES - BORROWINGS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Non-current borrowings		
Term loans from banks (Secured)		
Indian rupee term loan from bank	1,884.27	-
Total non-current borrowings (Secured) (Refer Note 15(A))	**1,884.27**	**-**
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan	22,337.89	28,572.90
Indian rupee loan from bank	-	322.78
Bill discounting from banks	7,210.56	5,524.07
Bank overdraft	2,446.81	2,175.32
Total current borrowings (Secured)	**31,995.26**	**36,595.07**
Loans repayable on demand from banks (Unsecured)		
Indian rupee loan from bank	-	2,500.00
Total current borrowings (Unsecured)	**-**	**2,500.00**
Total current borrowings (Secured+Unsecured) (Refer Note 15(B))	**31,995.26**	**39,095.07**
Total Financial liabilities - Borrowings	**33,879.53**	**39,095.07**
The above amount includes:		

Secured non-current borrowings	1,884.27	-
Secured current borrowings	31,995.26	36,595.07
Unsecured current borrowings	-	2,500.00
	33,879.53	**39,095.07**

Note 15(A): Notes on non-current Borrowings
Indian rupee term loan from bank (Secured)

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Gross amount of indian rupee term loan taken	5,013.10	-
Outstanding balance:		
Non current borrowings	1,884.27	-
Current maturities of long-term borrowings	2,642.17	-
Total outstanding balance	**4,526.44**	**-**
Applicable Interest rate	8% to 8.45%	-

The above loan includes the term loan taken from the banks under COVID emergency line of credit (CELC) scheme.

Terms of repayment:

Indian rupee term loan from banks is repayable in 24 to 48 equal monthly instalments with a morotorium period of 6 months.

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Number of instalments due as at Balance sheet date (months)	14 to 42	-
Maturity profile including current maturities:		
Not later than one year	2,642.17	-
Later than one year but not later than two years	1,106.60	-
Later than two years but not later than three years	466.60	-
Later than three years but not later than four years	311.07	-
Later than four years but not later than five years	-	-
More than five years	-	-
	4,526.44	**-**

Repayment of non current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of non-current borrowings and interest there on.

Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any non-current borrowings from related parties.

Disclosure about the nature of security:

The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) Current assets (including trade receivables) of the Company (iii) hypothecation of Plant & Machinery and Equipments and Land & Buildings (iv) fixed deposits.

During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 38) have given any personal guarantee or personal security for any non-current borrowings taken by the Company and is outstanding as at balance sheet date.

Note 15(B):Notes on current Borrowings:

[1] Indian rupee packing credit loan from a bank of ₹ 6,000 lakhs (March 31, 2020: ₹ 8,000 lakhs) carries interest @ MCLR + 0.75% (March 31, 2020: one year MCLR + 0.60%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 5,634.06 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 6,886.59 lakhs). Also refer note 15(B) 10 and 11 below.

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs (March 31, 2020: ₹ 21,000 lakhs) carries interest @ Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2020: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 15,829.96 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 20,201.55 lakhs). Also refer note 15(B) 10 and 11 below.

[3] Indian rupee packing credit loan from a bank of ₹ 3,000 lakhs (March 31, 2020: ₹ 2,000) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2020: MCLR) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 873.87 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 1,484.76). Also refer note 15(B) 10 and 11 below.

[4] Indian rupee loan from a bank of ₹ Nil lakhs (March 31, 2020: ₹ 2,700 lakhs) carries interest @pledged fixed deposit interest rate plus applicable spread of 1% p.a. (March 31, 2020:pledged fixed deposit interest rate plus applicable spread of 1 % p.a) and interest is payable monthly. The loan is secured by pledge of fixed deposits. Out of the above, ₹ Nil is outstanding as at March 31, 2021 (March 31, 2020: ₹ 322.78 lakhs). Also refer note 15(B) 10 and 11 below.

[5] Bill discounting from a bank of ₹ 4,000 lakhs (March 31, 2020: ₹ 2,000 lakhs) carries interest @LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.75% for Indian Rupee bills discounting (March 31, 2020: LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.60% for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 1,073.12 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 1,086.75 lakhs). Also refer note 15(B) 10 and 11 below.

[6] Bill discounting from a bank of ₹ 10,850 lakhs (March 31, 2020: ₹ 10,850 lakhs) carries interest @6 months LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2020:@6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 4,753.37 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 4,009.35 lakhs). Also refer note 15(B) 10 and 11 below.

[7] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2020: ₹ 500 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') for Indian Rupee bills discounting (March 31, 2020: @MCLR for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 1,384.07 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 427.97). Also refer note 15(B) 10 and 11 below.

[8] Bank overdraft from banks carries interest @one year MCLR plus applicable spreads of 2.50% p.a. (March 31, 2020:@one year MCLR plus applicable spreads of 4.50%) and interest is payable on monthly basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ 2,446.81 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 2,175.32 lakhs). Also refer note 15(B) 10 and 11 below.

[9] Indian rupee loan from a bank of ₹ Nil (March 31, 2020: ₹ 2,500 lakhs) carries interest @ MCLR plus applicable spread of 0.20% (March 31, 2020: @ MCLR plus applicable spread of 0.20%) and interest is payable monthly. The loan is unsecured. Out of the above, ₹ Nil is outstanding as at March 31, 2021 (March 31, 2020: ₹ 2,500 lakhs)

[10] The Company has further provided the following as the collateral to the consortium lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 15(B).

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company and its subsidiary,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

c) Pari passu charge on certain fixed deposits made by the Company

[11] The Company has availed the interest subvention @3% during the years ended March 31, 2021 and March 31, 2020 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

[12] The Reserve Bank of India has announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. Accordingly,

as per the said guidelines, the company has availed three months moratorium of the working capital interest on the balance outstanding as on March 01, 2020. However, the Company has accrued the interest on the outstanding balances.

[13] During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 38) have given any personal guarantee or personal security for any borrowings taken by the Company and is outstanding as at balance sheet date.

[14] Repayment of current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of current borrowings and interest there on.

[15] Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties.

16 LEASE LIABILITIES

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Non current			
Lease Liabilities		8,435.87	2,865.95
		8,435.87	**2,865.95**
(b) Current			
Lease Liabilities		2,667.28	2,031.94
		2,667.28	**2,031.94**
Total Lease Liabilities	**(a+b)**	**11,103.15**	**4,897.89**

Refer Note 35 (I) for maturity profile and other details.

17 PROVISION FOR EMPLOYEE BENEFITS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Non current			
Gratuity		521.68	450.81
		521.68	**450.81**
(b) Current			
Gratuity		1,923.84	2,136.37
Leave benefits		860.63	906.21
		2,784.47	**3,042.58**
Total provision for employee benefits	**(a+b)**	**3,306.15**	**3,493.39**

18 FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current		
Total outstanding dues of micro, small and medium enterprises	51.71	24.39
Total outstanding dues of creditors other than micro, small and medium enterprises	11,075.37	11,352.49
Total financial liabilities - Trade payables	**11,127.08**	**11,376.88**

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.
- For explanations on the Company's credit risk management processes, refer note 41.

19 FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	-	2,308.54
Other Financial liabilities at amortised cost		
Current maturities of long-term borrowings	2,642.17	-
Interest accrued and not due on loans	100.93	162.45
Payable to related parties	1,635.84	1,490.39
Employee related payables	6,010.54	5,694.69
Liability for capital assets	270.09	1,532.02
Total financial liabilities - other current financial liabilities	**10,659.57**	**11,188.09**

20 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Advances received from customers	144.47	188.96
Statutory liabilities payable*	756.69	814.93
Total other current liabilities	**901.16**	**1,003.89**

*Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

21 CURRENT TAX LIABILITY (NET)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current tax liability (net)	337.79	-
Total Current tax liability (net)	**337.79**	**-**

22 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Sale of finished goods			
Exports		94,173.84	1,03,212.67
Domestic		20,214.59	24,640.94
		1,14,388.43	**1,27,853.61**
(b) Other operating revenues			
Export incentives and others *		4,712.80	6,686.28
Sale of accessories, fabrics, scrap and others		1,592.08	1,914.54
Job work income		238.97	336.43
		6,543.85	**8,937.25**
Total revenue from operations	**(a+b)**	**1,20,932.28**	**1,36,790.86**

* Others represents government grant, which is in the form of import duty savings, have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2021 and March 31, 2020.

i. Disaggregation of Revenue from sale of finished goods

The Company has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 34.

₹ in lakhs

Primary Geographic Markets (Name of the country)	Sale of finished goods	
	March 31, 2021	March 31, 2020
United States of America	76,754.26	76,412.38
Canada	3,612.89	3,745.55
Spain	1,561.73	3,401.77
France	1,554.71	1,768.32
United Kingdom	1,344.44	811.39
Denmark	1,185.77	1,137.49
Netherlands	1,149.33	1,451.40
China	1,056.04	1,992.40
Germany	731.94	1,803.98
Japan	669.51	1,455.16
Other Overseas Countries	4,553.22	9,232.83
India	20,214.59	24,640.94
Total	**1,14,388.43**	**1,27,853.61**

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counter parties, timing of transfer of goods, uncertainty of revenue and cash flows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

ii. Remaining performance Obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

iii. Estimates and assumptions

Except as disclosed in note 48, there are no significant estimates and assumptions.

iv. Contract balances

₹ in lakhs

Particulars	Contract liabilities	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	188.96	169.54
Less: Amount included in contract liabilities that was recognised as revenue during the period	(188.96)	(169.54)
Add: Cash received in advance of performance and not recognised as revenue during the period	144.47	188.96
Balance at the end of the year	**144.47**	**188.96**

23 OTHER INCOME

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Interest income on:		
Bank deposits	690.20	935.47
Security deposits	185.83	231.02
Income tax refunds	51.89	33.64
Others	-	1.19
Other non-operating income :		
Net gain on disposal of property, plant and equipment	61.39	43.47
Gain on sale of investments in mutual fund units	14.32	131.67

Fair value gain on investments in mutual fund units	129.44	36.57
Provision no longer required, written back	-	5.17
Miscellaneous income	74.93	201.71
Total other income	**1,208.00**	**1,619.91**

24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	8,321.11	6,214.70
Add: Purchases	57,423.85	71,611.97
	65,744.96	**77,826.67**
Less: inventory at the end of the year	9,200.50	8,321.11
Total cost of raw materials and components consumed	**56,544.46**	**69,505.56**

25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Inventories at the beginning of the year		
Work-in-progress	15,473.90	13,246.64
Finished goods (Readymade garments)	4,258.21	5,866.53
	19,732.11	19,113.17
Inventories at the end of the year		
Work-in-progress	11,736.31	15,473.90
Finished goods (Readymade garments)	4,191.00	4,258.21
	15,927.31	**19,732.11**
Total Changes in inventories of finished goods and work-in-progress	**3,804.80**	**(618.94)**

26 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Salaries and wages	32,248.20	39,694.23
Contribution to provident and other funds	3,128.69	4,269.21
Share based payment expenses	520.31	703.91
Gratuity expense (net)	722.01	733.79
Staff welfare expense	502.65	1,297.61
Total employee benefit expenses	**37,121.86**	**46,698.75**

Note: The Indian Parliament had approved the Code on Social Security, 2020 ('the Code'). The Ministry of Labour and Employment has notified the draft rules under the Code on November 13, 2020 inviting objections and suggestions, if any, from the stakeholders. The draft rules provide for operationalization of provisions in the Code relating to Employees' Provident Fund, Employees' State Insurance Corporation, Gratuity, Maternity Benefit, Social Security and Cess in respect of Building and Other Construction Workers, Social Security for Unorganised Workers, Gig Workers and Platform Workers.

The Company is in the process of assessing the impact and will give appropriate accounting treatment in its financial statements in the period in which the Code (including the related rules framed thereunder) becomes effective.

27 FINANCE COSTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	1,910.90	2,081.66
on bill discounting and others	281.75	446.25
on lease liabilities	633.25	671.96
Bank charges and other borrowing costs	600.13	454.68
Total finance costs	**3,426.03**	**3,654.55**

28 DEPRECIATION AND AMORTIZATION EXPENSE

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment	2,580.92	2,353.46
Amortisation of other intangible assets	162.73	144.51
Amortisation on right-of-use assets	2,470.26	2,936.48
Total depreciation and amortisation expenses	**5,213.91**	**5,434.45**

29 OTHER EXPENSES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Consumption of consumables, stores and spares	632.14	966.65
Power and fuel	1,901.88	2,353.14
Other manufacturing expenses	212.55	261.86
Rent	1,625.15	589.58
Rates and taxes	367.90	262.98
Insurance	515.43	427.93
Repairs and maintenance		
Plant and machinery	474.84	608.12
Buildings	186.49	134.31
Others	397.10	529.08
Legal and professional fees	744.01	977.82
Printing and stationery	336.06	402.69
Communication costs	157.20	148.55
Travelling and conveyance	362.41	628.73
Payment to auditors*	34.03	31.35
Sitting fees	50.40	52.00
Clearing, forwarding and freight	1,652.34	1,900.36
CSR Expenditure	9.05	-
Irrecoverable balances written off	84.00	-
Provision for doubtful debts	813.77	514.01
Miscellaneous expenses	1,482.78	1,935.26
Total other expenses	**12,039.53**	**12,724.42**

*** Payment to auditors (exclusive of GST)**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Audit fees (including fees for audit of consolidated and standalone financial statements and quaterly limited reviews)	33.00	30.00
Out of pocket expenses	1.03	1.35
Total payment to auditors (exclusive of GST)	**34.03**	**31.35**

30 EXCEPTIONAL ITEMS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Export Incentives Receivables written off	-	(610.84)
Net gain on disposal of land and building	-	2,604.78
Total exceptional items	**-**	**1,993.94**

31 INCOME TAX

The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Income tax expenses in the standalone statement of profit and loss consist of the following:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
(a) Current tax	680.90	74.19
(b) Adjustment of tax relating to earlier periods	5.71	-
(c) Deferred tax (credit)/charge	(680.90)	(74.19)
Total tax expenses	**5.71**	**-**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Profit/(Loss) after exceptional items and before tax	2,630.03	3,235.94
Applicable normal income tax rate in India	34.944%	34.944%
Computed tax expense	919.04	1,130.77
Tax effect of:		
Exempted income	(2,840.84)	(3,571.78)
Expenses disallowed	3,150.67	3,485.99
Carried forwarded tax losses	(1,223.16)	(1,044.98)
Total tax expenses	**5.71**	**-**

The Company has accumulated tax losses which arose in India of ₹ 2,787.29 lakhs (March 31, 2020:₹ 10,767.98 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2024.

The Company has unabsorbed depreciation of ₹ 3,550.77 lakhs (March 31, 2020:₹ 3,550.77 lakhs) that are available for offsetting for indefinite period.

Deferred tax assets have not been recognised in respect of these losses due to uncertainity surrounding availability of future taxable income against which such loss can be offset.

32 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the data used in the basic and diluted EPS computations:

Particulars	March 31, 2021	March 31, 2020
Face value of equity shares (₹ per share)	5.00	5.00
Profit attributable to equity holders of the Company (₹ lakhs)	2,624.32	3,235.94
Weighted average number of equity shares used for computing earning per share (basic)	4,28,55,005	4,28,20,197
Weighted average number of equity shares used for computing earning per share (diluted)	4,54,10,985	4,55,33,704
EPS - basic (₹)	6.12	7.56
EPS - diluted (₹)	5.78	7.11

33 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

d. Impairment of non current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions etc.

e. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

In respect of bank guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

g. Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 37.

h. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "(Increase)/decrease in inventories of finished goods and work-in-progress" in the statement of profit and loss..

i. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

j. Non current assets held for sale

Non current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

k. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/ RSUs granted. The Company estimates fair value of ESOPs/ RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

l. Revenue from Export incentives

For measurement of income from the export incentives, significant estimates and judgments are made which include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate notified/to be notified by the government authorities.

34 SEGMENT INFORMATION- DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENT'

(a) Basis of identifying operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Company is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

(c) Geographic information

The Company mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

₹ in lakhs

Particulars	Segment revenue*		Non current assets**	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
India	26,095.81	32,812.36	23,879.48	17,403.96
Rest of world	94,836.47	1,03,978.50	-	-
Total	**1,20,932.28**	**1,36,790.86**	**23,879.48**	**17,403.96**

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2020: Three) customer amounted to ₹ 70,975.61 lakhs (March 31, 2020: ₹ 73,630.93 lakhs), arising from sales of readymade garments.

*Total Revenue from operations by geographical area are based on the geographical location of the client.

**Non-current assets excludes non current financial assets and non current tax assets.

35 COMMITMENTS AND CONTINGENCIES

I. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and nonlease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both. The Company records the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.

The movement in lease liabilities is as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening balance	**4,897.89**	**7,192.02**
Additions	9,937.96	820.48
Deletions	(1,435.61)	-
Finance cost accrued	633.25	671.96
Payment of lease liabilities	(2,930.34)	(3,786.57)
Closing balance	**11,103.15**	**4,897.89**

The break-up of current and non-current lease liabilities is as follows

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current lease liabilities	2,667.28	2,031.94
Non-current lease liabilities	8,435.87	2,865.95
Total	**11,103.15**	**4,897.89**

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Less than one year	3,801.96	2,343.17
One to five years	11,188.09	3,440.98
More than five years	972.14	648.61
Total	**15,962.19**	**6,432.76**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases during the year is ₹ 1,625.15 lakhs (31 March 2020: ₹ 589.58 lakhs).

II. Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
(a) Bank Guarantees		
Sanctioned	263.00	500.00
Outstanding	171.68	138.92
(b) Outstanding letters of credit		
Sanctioned	4,249.00	4,822.00
Outstanding	3,167.32	2,398.00
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	838.37
(ii) Matters relating to other taxes under dispute	122.54	122.54

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(ii) The Company is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Company's management believes that these cases are not tenable/ material and accordingly have not made any further adjustments, other than amount already provided in the standalone financial statements.

III. Capital and other commitments

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	937.39	185.33
Commitments relating to forward contract- hedge of highly probable forecast sales	80,141.46	55,944.37

36 HEDGING ACTIVITIES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Company's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Company is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount in lakhs	Average Strike rate
March 31, 2021	US$	1,052.30	76.16
March 31, 2021	INR	80,141.46	
March 31, 2020	US$	761.73	73.44
March 31, 2020	INR	55,944.37	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:
Financial year

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Nominal amount of hedging instrument	80,141.46	55,944.37
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	981.01	-
Liabilities	-	2,308.54
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 19
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:
Financial year

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	981.01	(2,025.77)
For hedges no longer applied	-	-
Total balance	**981.01**	**(2,025.77)**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The cash flow hedges of the expected future sales during the year ended March 31, 2021 and March 31, 2020 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2021 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2022.

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on :

₹ in lakhs

Cash flow hedge reserve	March 31, 2021	March 31, 2020
Opening balance	(2,025.77)	1,376.18
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	3,442.13	(2,692.39)
Less: amount reclassified to standalone statement of profit and loss as hedged item has affected profit or loss	(435.35)	(709.56)
Less: amount reclassified to standalone statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	3,006.78	(3,401.95)
Less: amount recognised in the standalone statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**981.01**	**(2,025.77)**

The Company offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

37 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the standalone statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit.

(a) Net benefit expenses (recognised in the standalone statement of profit and loss)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current service cost	585.03	617.60
Net interest cost on defined benefit obligations / (assets)	136.98	116.19
Net benefit expenses	**722.01**	**733.79**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	(13.44)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	5.44	103.08
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(171.23)	108.49
Actuarial (gain)/loss arising during the year	**(165.79)**	**198.13**
Return on plan assets (greater)/less then discount rate	0.11	0.76
Actuarial (gain)/ loss recognised in other comprehensive income	**(165.68)**	**198.89**

(c) Net defined benefit asset / (liability)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Defined benefit obligation	2,471.40	2,611.18
Fair value of plan assets	25.88	24.00
Plan liability/ (asset)	**2,445.52**	**2,587.18**

(d) Changes in the present value of defined benefit obligation are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	2,611.18	2,155.15
Current service cost	585.03	617.60
Interest cost on the defined benefit obligation	138.46	118.23
Benefits paid	(697.48)	(477.93)
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	(13.44)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	5.44	103.08
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(171.23)	108.49
Closing defined benefit obligation	**2,471.40**	**2,611.18**

(e) Changes in the fair value of plan assets are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	24.00	43.38
Interest income on plan assets	1.48	2.04
Contributions by employer	697.99	457.29
Benefits paid	(697.48)	(477.93)
Return on plan assets (lesser)/greater than discount rate	(0.11)	(0.78)
Closing fair value of plan assets	**25.88**	**24.00**

The Company expects to contribute ₹ 1,923.84 lakhs (March 31, 2020: ₹ 2,136.37 lakhs) towards gratuity fund.

(f) The following benefit payments (undiscounted) are expected in future years:

₹ in lakhs

Particulars	March 31, 2021
March 31, 2022	490.54
March 31, 2023	362.81
March 31, 2024	278.48
March 31, 2025	206.05
March 31, 2026	183.30
March 31, 2027 to March 31, 2031	1,805.44

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2021	March 31, 2020
Investments with insurer	100%	100%

(h) The principal assumptions used in determining gratuity for the Company's plan is as shown below:

Particulars	March 31, 2021	March 31, 2020
Discount rate (in %)	6.12%	6.17%
Salary escalation (in %)	5% to 8%	5% to 8%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	Refer note 4 below

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.

2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.

5. Refer note 17 for current and non current classification.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(100.49)	(106.66)
Impact of defined benefit obligation due to 1% decrease in discount rate	109.28	116.07
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	93.87	99.83
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(87.71)	(93.44)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(19.60)	(21.40)
Impact of defined benefit obligation due to 1% decrease in attrition rate	20.01	21.84

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

38 RELATED PARTY TRANSACTIONS

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Holding Entity	Clear Wealth Consultancy Services LLP
Wholly owned subsidiaries	All Colour Garments Private Limited
	SNS Clothing Private Limited
	Vignesh Apparels Private Limited
Other body corporates	Yepme UK Limited
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Sivaramakrishnan Vilayur Ganapathi, Managing Director
	Mr. Mathew Cyriac (Non Executive Director)
	Mr. Arun K Thiagarajan (Independent Director) (resigned w.e.f July 29, 2019)
	Mr. Jitendrakumar H.Mehta (Independent Director) (resigned w.e.f July 18, 2019)

	Ms. Anuradha Sharma (Independent Director)
	Mr. Gautham Madhavan (Non Executive Director)
	Mr. Prabhat Kumar Singh (Director)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Shrithee MS (Company Secretary) (appointed w.e.f November 11, 2020)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019) (resigned w.e.f November 10, 2020)

b. Summary of transactions during the year with the above related parties are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i) Sale of accessories, fabrics, etc		
Subsidiary companies		
SNS Clothing Private Limited	17.38	28.17
	17.38	**28.17**
ii) Purchase of raw materials / finished goods		
Subsidiary companies		
SNS Clothing Private Limited	29.82	47.12
	29.82	**47.12**
iii) Rent		
Subsidiary companies		
SNS Clothing Private Limited	246.00	246.00
	246.00	**246.00**
iv) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Vilayur Ganapathi [1]	241.48	388.76
Sathyamurthy A [2]	115.63	141.24
Prabhat Kumar Singh	40.00	65.00
Shrithee MS	3.47	-
Sameer Sudarshan R V	7.25	13.34
	407.83	**608.34**
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Richard B. Saldanha	13.60	12.00
Mathew Cyriac	12.80	13.60
Anuradha Sharma	13.60	11.20
Gautham Madhavan	10.40	8.00
Arun K Thiagarajan	-	4.80
Jitendrakumar H Mehta	-	2.40
	50.40	**52.00**
c) Summary of compensation of key managerial personnel of the Company		
Managerial remuneration	407.83	608.34
Sitting fees	50.40	52.00
Share based payment expenses	376.98	399.44
	835.21	**1,059.78**

[1] Previous year remuneration includes variable pay of ₹ 150 lakhs pertaining to the FY 2018-19 and paid during the year 2019-20.

[2] Remuneration includes variable pay of ₹ 15 lakhs pertaining to 2019-20 and paid during the year 2020-21 (March 31, 2020: ₹ 30 lakhs, pertaining to 2018-19 and paid during the year 2019-20).

c. Summary of outstanding balances with the above related parties are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i) Other financial liabilities		
Payable to subsidiaries		
All Colour Garments Private Limited	368.54	368.81
SNS Clothing Private Limited	1,171.16	1,025.24
Vignesh Apparels Private Limited	96.14	96.36
	1,635.84	**1,490.41**
ii) Remuneration payable to Key managerial personnel		
Sivaramakrishnan Vilayur Ganapathi	150.00	150.00
Sathyamurthy A	40.00	40.00
	190.00	**190.00**

As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Company as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

39 DISCLOSURES OF DUES/PAYMENTS TO MICRO, SMALL AND MEDIUM ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE COMPANY

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i. The principal amount due thereon remaining unpaid as at the year end	51.71	24.39
Interest amount due and remaining unpaid as at the year end	-	-
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

40 SHARE- BASED PAYMENTS

The Company's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Company approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Company including employees of subsidiaries and directors and provided for the issue of 17,18,800 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Company and provided for the issue of 21,33,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Company recognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is ranging from two to three years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options

Employee stock option expense is as set out below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Expense arising from equity-settled share based payment transactions	520.31	703.91
	520.31	**703.91**

Movement during the year for ESOP 2010 Plan:
The activity in the ESOP 2010 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2021		March 31, 2020	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	5,41,667	78.30	5,85,001	76.53
Granted during the year	-	-	-	-
Exercised during the year	-	-	(10,000)	32.25
Lapsed during the year	-	-	(33,334)	61.02
Closing balance	5,41,667	78.30	5,41,667	78.30
Exercisable as at year end	4,81,667		4,21,667	

The weighted average share price at the date of exercise of the options during the period is not applicable (March 31, 2020 : ₹ 79.4).

The weighted average remaining contractual life for the share options outstanding is 5.64 years (March 31, 2020: 6.64 years)

The range of exercise prices for options outstanding at the end of the year was ₹ 32.25 to ₹ 85.96 (March 31, 2020: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:
The activity in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2021		March 31, 2020	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	20,98,040	5.00	21,33,040	5.00
Granted during the year	-	-	-	-
Exercised during the year	(70,000)	5.00	-	-
Lapsed during the year	(2,23,040)	5.00	(35,000)	5.00
Closing balance	18,05,000	5.00	20,98,040	5.00
Exercisable as at year end	15,55,000		-	

The weighted average remaining contractual life for the share options outstanding is 5.14 years (March 31, 2020: 6.12 years)

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2020: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2020: ₹ 5).

The following table list the inputs to the models used for the ESOP 2010 plan:

Particulars	**March 31, 2021**	**March 31, 2020**
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under ESOP 2010 during the year ended March 31, 2021 and March 31, 2020.

The following table list the inputs to the models used for the RSU 2018 plan :

Particulars	**March 31, 2021**	**March 31, 2020**
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
	-	-

* No options were granted under RSU 2018 during the year ended March 31, 2021 and March 31, 2020.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

41 DISCLOSURES ON FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in Note 2.2 (b) and Note 2.2 (o) to the standalone financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities

As at March 31, 2021

₹ in lakhs

Particulars	**Amortised cost**	**Fair value through OCI**	**Total**
Financial assets			
Investments (other than investments in subsidiaries)	3,681.16	-	3,681.16
Loans	2,802.25	-	2,802.25
Trade receivables	17,983.57	-	17,983.57
Cash and cash equivalents	1,497.57	-	1,497.57
Other financials assets	15,190.95	-	15,190.95
Foreign exchange forward contracts	-	981.01	981.01
Total assets	**41,155.50**	**981.01**	**42,136.51**

Financial liabilities			
Lease liabilities	11,103.15	-	11,103.15
Borrowings	31,995.26	-	31,995.26
Trade payables	11,127.08	-	11,127.08
Other financial liabilities	10,659.57	-	10,659.57
Foreign exchange forward contracts	-	-	-
Total liabilities	**64,885.06**	-	**64,885.06**

As at March 31, 2020

₹ in lakhs

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments (other than investments in subsidiaries)	3,551.72	-	3,551.72
Loans	3,398.32	-	3,398.32
Trade receivables	14,352.92	-	14,352.92
Cash and cash equivalents	1,223.45	-	1,223.45
Other financials assets	14,579.23	-	14,579.23
Foreign exchange forward contracts	-	-	-
Total assets	**37,105.64**	-	**37,105.64**
Financial liabilities			
Lease liabilities	4897.89	-	4,897.89
Borrowings	39,095.07	-	39,095.07
Trade payables	11,376.88	-	11,376.88
Other financial liabilities	8,879.55	-	8,879.55
Foreign exchange forward contracts	-	2,308.54	2,308.54
Total liabilities	**64,249.39**	**2,308.54**	**66,557.93**

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ in lakhs

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2021				
Financial assets				
Foreign exchange forward contracts	-	981.01	-	981.01
March 31, 2020				
Financial liabilities				
Foreign exchange forward contracts	-	2,308.54	-	2,308.54

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

Fair value of loans (security deposits) having a carrying amount of ₹ 2,802.25 lakhs as at March 31, 2021 (March 31, 2020: ₹ 3,398.32 lakhs) was ₹ 2,802.25 lakhs (March 31, 2020: ₹ 3,398.32)

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021 and March 31, 2020.

(c) Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy

(i) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in lakhs

Particulars	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2021	50	182.61
March 31, 2020	50	195.48

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. The Company's exposure to foreign currency changes from investing activities is not material.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2021 and March 31, 2020, the Company hedged ₹ 80,141.46 lakhs (US$ 1,052.30 lakhs) and ₹ 55,944.37 lakhs (US$ 761.73 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2021 and March 31, 2020

(in lakhs)

Particulars	Currency	March 31, 2021	March 31, 2020
Assets			
Trade receivables	US$	133.55	84.98
Trade receivables	EUR	4.99	0.37
Advance to suppliers	US$	13.37	14.48
Capital advances	US$	0.57	0.73
Capital advances	EUR	0.09	-
Cash and cash equivalents	US$	0.95	0.01
Liabilities			
Trade payables	US$	7.26	4.60
Liability for capital assets	US$	1.45	12.25
Liability for capital assets	EUR	-	0.18
Advances received from customers	US$	0.30	0.61

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in US$ exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in US$ rate	Effect on profit before tax
March 31, 2021		
₹ in lakhs	5%	512.75
March 31, 2020		
₹ in lakhs	5%	311.97

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2021 and March 31, 2020. The period end balances are not necessarily representative of the average debt outstanding during the period.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments and cash and cash equivalents.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 42,136.51 lakhs, ₹ 37,105.64 lakhs, as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

With respect to Trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings etc. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

₹ in lakhs

Particulars	0-1 year	> 1 year	Total
March 31, 2021			
Lease liabilities	2,667.28	8,435.87	11,103.15
Borrowings	31,995.26	1,884.27	33,879.53
Trade payables	11,127.08	-	11,127.08
Other financial liabilities	10,659.57	-	10,659.57
	56,449.19	**10,320.14**	**66,769.33**
March 31, 2020			
Lease liabilities	2,031.94	2,865.95	4,897.89
Borrowings	39,095.07	-	39,095.07
Trade payables	11,376.88	-	11,376.88
Other financial liabilities	11,188.09	-	11,188.09
	63,691.98	**2,865.95**	**66,557.93**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Company's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ Nil as on March 31, 2021 and March 31, 2020 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Company's investment in a foreign associate.

42 CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long term and short term bank borrowings and issue of securities.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings including current maturities	36,521.70	39,095.07
Total debts	**36,521.70**	**39,095.07**
Capital components		
Equity share capital	2,144.78	2,141.28
Other equity	27,042.14	20,725.05
Total capital	**29,186.92**	**22,866.33**
Capital and borrowings	**65,708.62**	**61,961.40**
Gearing ratio (%)	**55.58%**	**63.10%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest-bearing loans and borrowing for all the periods presented.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

43 The Company is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Company during financial year ended March 31, 2021. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

44 The Company assessed the fair value less cost of sale of the investment in an associate held for sale. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Company's investment. The Company has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the year ended March 31, 2019. The Company continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss. Further to related developments during the year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.

45 The Company had filed petition with the Company Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

46 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting company). Consequently, the director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Company is confident to receive a favourable order and that there will not be a material impact on the standalone Ind AS financial statements of the Company.

47 During the year ended March 31, 2019, certain foreign customers had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on recommendation of legal counsel, the Company had filed a claim for the balances outstanding with the relevant authorities, including for some claims which were eligible for preferential payment. Based on final negotiation and settlement under the reorganization plan by the court appointed administrative claims manager and also realisations made during the year, the Company carries 100% provision on account of expected credit loss towards this customer.

During the quarter ended June 30, 2020 another foreign customer of the Company had filed for bankruptcy and for a plan for reorganization of its business and creditors in the court. The customer has filed a creditor claim for the outstanding for ₹ 250 lakhs as at the date of such filing. The Company had partially collected the amount subsequent to the year end March 31, 2021. The Company carries 100% provision on account of expected credit loss towards this customer for the balance amount.

48 Under the Remission of Duties and Taxes on Export Products RoDTEP the Company is eligible to claim a government grant in the form of refunds of embedded taxes and duties All the items previously under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme

The scheme has been effective since January 1, 2021 However, the incentive rates are yet to be notified by the authorities For the textile/garment industry sector, the RoSCTL scheme was introduced with effect from March 7 2019. Later, for the textile/garment manufacturing sector, the Government retrospectively withdrew 4% MEIS w.e.f. March 7, 2019 through a notification issued on January 14, 2020.

For the relevant period January 1, 2021 onwards, the Company has recognized INR 7.57 Crore of income towards RoDTEP and corresponding receivable which is lower than the rates applicable up to December 31, 2020.

For measurement of income from the aforementioned government grants, significant estimates and judgments are made by the management The estimates, inputs, and judgments used by the management include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate expected to be notified by the government authorities, the estimation on the rate involves a high level of uncertainty considering the delay in notification of the rate, the Company has performed sensitivity analysis on the sources of estimation uncertainty and appropriately considered the same while recognizing the income from government grants.

49 In view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E 15012020-215423 dated January 14, 2020, the Company had reversed the Merchandise Export from India Scheme (MEIS) benefit relating to previous year and same is disclosed as an exceptional item.

50 During the quarter ended March 31, 2020, pursuant to the approval of the Board of Directors, the Company has concluded the sale of one of its lands, alongwith building constructed thereon. The transaction resulted in a gain of ₹ 2,604.78 lakhs, which has been recognised as an exceptional item.

51 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

Gross amount required to be spent by the Company on Corporate Social Responsibility as per Section 135 of the Companies Act 2013 for the year ended March 31, 2021 is ₹ 9.05 lakhs (March 31, 2020: ₹ Nil). For the year ended March 31, 2021, the Company had spent ₹ 9.05 lakhs. There is no unspent amount to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

52 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the quarter and year ended March 31, 2021 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at March 31, 2021 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Company has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, the Company has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

53 For the period/ days of the respective lockdowns imposed by the government, the Company has evaluated the various directions, circulars and orders issued by government authorities regarding payment of wages to employees, and accordingly has paid certain ex-gratia amount to eligible employees for the period of lockdown where they have not worked.

The matter relating to validity of government orders relating to payment of wages during lockdown is pending conclusion with the Honourable Supreme Court of India (SC).

Pending conclusion of such matter, management based on the interim order of SC and advise obtained from external legal expert, has concluded that the Company is in compliance with the relevant requirement on this matter.

The Company will reassess, if necessary, any further actions, based on the final conclusion by the SC in this regard.

Additionally, Employee benefit expenses is lower during the current year compared to the previous year on account of optimization including structuring of compensation and manpower due to impact on Company's operations on account of COVID-19.

54 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

55 Previous period/ year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/ year's classification.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

149 Independent Auditor's Report

156 Consolidated Balance Sheet

157 Consolidated Statement of Profit and Loss

158 Consolidated Statement of Changes in Equity

160 Consolidated Cash Flow Statment

162 Notes to Consolidated Financial Statement

Independent Auditor's Report

To the Members of Gokaldas Exports Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to the following matters in the Notes forming part of the consolidated financial statements for the year ended March 31, 2021- :

a) Note 48 to the consolidated financial statements which states that export incentives under RODTeP Scheme applicable w.e.f 1 January 2021 amounting to ₹ 757 lakhs has been recognised on the basis of certain assumptions including previous applicable rates, as the rates are yet to be notified under the said scheme.

b) Note 52 to the consolidated financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31,2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of these matters.

KEY AUDIT MATTERS

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

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Allowance for doubtful debts Refer Note 11 to the financial statements. The carrying value of Trade Receivables for goods is ₹ 17,983.76 Lakhs. The company has recognised the expected credit loss (ECL) in respect of trade receivable for goods on management's best estimate of the loss allowance. The ECL allowance is computed based on a simplified model based on judgement considering past experience. The calculation of ECL allowance is a complex area and requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the historical information and estimating the level and timing of expected future cash flows. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: • Consideration of Trade Receivables Ageing Analysis. • Consideration of probability of forward looking macro-economic factors including significant factors adversely affecting specific customers. This is considered as a Key Audit Matter as calculation and estimation of ECL is subject to significant judgement based on management estimates.	Our audit procedures in respect of this area included: 1. Obtained understanding of the Company's policy on assessment of expected credit loss against trade receivables, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls on a sample basis. 2. Assessing the recoverability of the amounts due, through inquiry with management and verifying corroborative evidence to support the conclusions drawn. 3. Assessing management's estimate and related policies w.r.t expected credit loss provision. 4. Reviewing legal and other documentation available with the Company to understand the legal position of the Company and confirm facts relating to the matter. 5. Verifying the transactions on test check basis with the underlying supporting documents including subsequent realisations. 6. Inspecting the documentation received from the customer for the settlements confirmed and claims filed. 7. Reviewed the management assessment of subsequent event. 8. Assessed the methodology applied for recognising expected credit loss against the trade receivables in the current year and compared the Company's provisioning rates against historical collection data; 9. Evaluated the appropriateness of the disclosures made in the financial statement in relation to such provision as required under applicable accounting standards

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc but does not include the consolidated financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report etc is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Management report, Chairman's statement, Director's report etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

OTHER MATTERS

a. We did not audit the financial statements / financial information of three subsidiaries whose financial statements reflect total assets of ₹ 478.05 lakhs as at March 31, 2021, total revenues of ₹ 170.79 lakhs and net cash flows amounting to ₹ 22.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies none of the directors of the Group companies are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of three subsidiaries as the provisions of the aforesaid section is not applicable to private companies.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFU4323

Place: Bengaluru
Date: May 14, 2021

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFU4323

Place: Bengaluru
Date: May 14, 2021

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the consolidated Financial Statements for the year ended March 31, 2021]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFU4323

Place: Bengaluru
Date: May 14, 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ in lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non- current assets			
Property, plant and equipment	3(a)	12,531.40	12,713.18
Capital work-in-progress	3(a)	-	78.98
Right-of-use assets	3(b)	11,016.15	4,308.06
Other intangible assets	4	190.11	220.06
Financial assets			
Investments	5(a)	0.29	0.29
Loans	6	2,886.52	3,472.76
Other financial assets	7(a)	14,707.82	13,907.58
Deferred tax assets	8(a)	680.90	74.19
Income tax assets (net)	8(b)	664.62	1,206.28
Other non-current assets	9	336.21	204.01
Total non-current assets		**43,014.02**	**36,185.39**
Current assets			
Inventories	10	25,920.02	28,924.05
Financial assets			
Investments	5(b)	3,680.89	3,551.45
Trade receivables	11	17,983.76	14,353.04
Cash and cash equivalents	12	1,526.19	1,229.28
Other financial assets	7(b)	1,464.14	671.65
Other current assets	9	5,402.89	7,557.00
Total current assets		**55,977.89**	**56,286.47**
Total assets		**98,991.91**	**92,471.86**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,144.78	2,141.28
Other equity	14	26,861.99	20,520.05
Total equity		**29,006.77**	**22,661.33**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	1,884.27	-
Lease liabilities	16	8,555.17	2,946.02
Provision for employee benefits	17	527.00	455.30
Total non-current liabilities		**10,966.44**	**3,401.32**
Current liabilities			
Financial liabilities			
Borrowings	15	31,995.26	39,095.07
Trade payables	18		
Total outstanding dues of micro, small and medium enterprises		51.71	24.39
Total outstanding dues of creditors other than micro, small and medium enterprises		11,119.99	11,404.59
Lease liabilities	16	2,773.56	2,120.45
Other current financial liabilities	19	9,047.59	9,711.83
Other current liabilities	20	906.94	1,008.93
Provision for employee benefits	17	2,785.86	3,043.95
Current tax liability (net)	21	337.79	-
Total current liabilities		**59,018.70**	**66,409.21**
Total equity and liabilities		**98,991.91**	**92,471.86**
Summary of significant accounting policies.	2.3		

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

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ in lakhs

	Particulars	Note No.	March 31, 2021	March 31, 2020
I	**Income**			
	Revenue from operations	22	1,21,072.73	1,37,094.85
	Other income	23	1,220.96	1,627.77
	Total income		**1,22,293.69**	**1,38,722.62**
II	**Expenses**			
	Cost of raw materials and components consumed	24	56,562.36	69,609.75
	Changes in inventories of finished goods and work-in-progress	25	3,941.80	(414.71)
	Employee benefits expense	26	37,156.38	46,742.44
	Finance costs	27	3,446.23	3,682.47
	Depreciation and amortization expenses	28	5,261.50	5,481.92
	Job work charges		1,203.70	1,063.87
	(Gain)/loss on account of foreign exchange fluctuations (net)		155.96	(1,292.81)
	Other expenses	29	11,903.96	12,804.92
	Total expenses		**1,19,631.89**	**1,37,677.85**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**2,661.80**	**1,044.77**
IV	**Exceptional items**	**30**	-	(1,993.94)
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**2,661.80**	**3,038.71**
VI	**Tax expenses**			
	Current tax		685.90	74.19
	Adjustment of tax relating to earlier years		7.64	-
	Deferred tax (credit)/charge		(680.90)	(74.19)
			12.64	**-**
VII	**Profit/(Loss) after tax for the period (V-VI)**		**2,649.16**	**3,038.71**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plan		165.69	(196.65)
	Income tax effect		-	-
	Items that will be reclassified to profit or loss in subsequent periods:			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		3,006.78	(3,401.95)
	Total other comprehensive income/ (loss) for the year, net of tax		**3,172.47**	**(3,598.60)**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**5,821.63**	**(559.89)**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2020- ₹ 5)]**	**30**		
	Basic EPS		6.18	7.10
	Diluted EPS		5.83	6.67
	Summary of significant accounting policies	2.3		
	The accompanying notes are an integral part of these consolidated financial statements.			

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2019	4,28,15,663	2,140.78
Add: Issued during the year	10,000	0.50
At March 31, 2020	**4,28,25,663**	**2,141.28**
At April 1, 2020	4,28,25,663	2,141.28
Add: Issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**

B. OTHER EQUITY

For the year ended March 31, 2021

₹ in lakhs

Particulars	Reserves and Surplus					Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2020	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(11,006.35)**	**(2,025.77)**	**20,520.05**
Profit for the year	-	-	-	-	2,649.16	-	2,649.16
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	3,006.78	3,006.78
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	165.69	-	165.69
Total comprehensive income	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(8,191.50)**	**981.01**	**26,341.68**
Additions on account of shares issued during the year	-	-	-	-	-	-	-
Change in accounting policy on adoption of Ind AS 116	-	-	-	-	-	-	-
Transfer to securities premium on exercise of equity stock options	50.59	-	-	(50.59)	-	-	-
Share based payment expense	-	-	-	520.31	-	-	520.31
At March 31, 2021	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**(8,191.50)**	**981.01**	**26,861.99**

For the year ended March 31, 2020

₹ in lakhs

Particulars	Reserves and Surplus					Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2019	20,404.46	2,192.09	9,769.12	479.87	(12,324.23)	1,376.18	21,897.49
Profit for the year	-	-	-	-	3,038.71	-	3,038.71
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	(3,401.95)	(3,401.95)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	(196.65)	-	(196.65)
Total comprehensive income	**20,404.46**	**2,192.09**	**9,769.12**	**479.87**	**(9,482.17)**	**(2,025.77)**	**21,337.60**
Additions on account of shares issued during the year	2.72	-	-	-	-	-	2.72
Change in accounting policy on adoption of Ind AS 116	-	-	-	-	(1,524.18)	-	(1,524.18)
Transfer to securities premium on exercise of equity stock options	51.97	-	-	(51.97)	-	-	-
Share based payment expense	-	-	-	703.91	-	-	703.91
At March 31, 2020	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(11,006.35)**	**(2,025.77)**	**20,520.05**

Refer note 2.3 for summary of significant accounting policies.

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

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Consolidated Cash Flow Statement

for the year ended March 31, 2021

₹ in lakhs

Particulars	Note No.	March 31, 2021	March 31, 2020
Cash flow from operating activities			
Profit before exceptional items and tax		**2,661.80**	**1,044.77**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		5,261.50	5,481.92
Net loss/(gain) on disposal of property, plant and equipment		(61.39)	(43.47)
Foreign exchange loss/(gain), net unrealised		(189.10)	232.37
Gain on sale of investments in mutual fund units		(143.76)	(168.24)
Income from government grants		(158.17)	(570.37)
Share based payment expenses		520.31	703.91
Provision no longer required, written back		-	(5.17)
Irrecoverable balances written off		84.00	-
Provision for doubtful debts		813.77	514.01
Export Incentives Receivables written off		-	(610.84)
Interest income		(744.66)	(973.32)
Finance costs		3,446.23	3,682.47
Operating profit/(loss) before working capital changes		**11,490.53**	**9,288.04**
Changes in operating assets and liabilities:			
(Increase)/ decrease in loans		(103.03)	(1,136.58)
(Increase)/ decrease in other financial assets		(38.42)	0.48
(Increase)/ decrease in other assets		1,707.71	(1,397.36)
(Increase)/ decrease in inventories		3,004.03	(2,655.33)
(Increase)/ decrease in trade receivables		(4,665.08)	1,666.33
Increase/ (decrease) in provisions for employee benefits		(20.70)	297.50
Increase/ (decrease) in trade payables		(32.39)	2,847.65
Increase/ (decrease) in other financial liabilities		325.59	820.60
Increase/ (decrease) in other liabilities		(57.50)	93.62
		11,610.74	9,824.95
Direct taxes refunded/ (paid) (net of refund/payments)		260.10	35.31
Net cash flows from/ (used in) operating activities (A)		**11,870.84**	**9,860.26**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(3,622.12)	(3,775.39)
Proceeds from sale of property, plant and equipment		214.25	2,994.88
Investments in bank deposits		(14,703.28)	(13,684.42)
Redemption of bank deposits		13,911.01	13,022.50
Investment in mutual funds		(1,599.92)	(8,800.00)
Proceeds from sale of investment in mutual funds		1,614.24	5,416.79
Interest income received		963.63	966.25
Net cash flows from/ (used in) investing activities (B)		**(3,222.19)**	**(3,859.39)**
Cash flow from financing activities			
Proceeds from issue of shares/exercise of share options		3.50	3.22
Proceeds of short-term borrowings		1,68,326.26	1,98,223.23
Repayment of short-term borrowings		(1,71,088.69)	(1,95,973.11)
Payment of lease liabilities		(3,008.25)	(3,860.41)
Finance costs paid		(2,856.05)	(2,860.35)
Net cash flows from/ (used in) financing activities (C)		**(8,623.23)**	**(4,467.42)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		25.42	1,533.45
Cash and cash equivalents at the beginning of the year	12	(946.04)	(2,479.49)
Cash and cash equivalents at the end of the year		**(920.62)**	**(946.04)**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents		1,526.19	1,229.28
Bank overdraft		(2,446.81)	(2,175.32)
Balances per statement of cash flows		**(920.62)**	**(946.04)**

Refer note 2.3 for summary of significant accounting policies.

The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

1. Changes in liabilities arising from financial activities:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Liabilities arising from financing activities		
Short term borrowings		
Opening balance	**36,919.75**	**34,471.83**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(7,453.73)	2,250.12
Non-cash changes		
Foreign exchange fluctuations	82.43	197.80
Closing balance	**29,548.45**	**36,919.75**

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

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

1 CORPORATE INFORMATION

Gokaldas Exports Limited ('GEL' or 'the Company') (having Corporate Identity Number(CIN): L18101KA2004PLC033475) and its subsidiaries ('the Group') are mainly engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Group is from manufacture and sale of garments and related products, both domestic and overseas.

The Company is a public company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bengaluru.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

2.1 STATEMENT OF COMPLIANCE

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 1, 2016. The consolidated financial statements of the Group, have been prepared and presented in accordance with Ind AS.

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

These consolidated financial statements are presented in Indian Rupees("₹"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and

- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting right

- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

• Derecognises the assets (including goodwill) and liabilities of the subsidiary

• Derecognises the carrying amount of any non-controlling interests

• Derecognises the cumulative translation differences recorded in equity

• Recognises the fair value of the consideration received

• Recognises the fair value of any investment retained

• Recognises any surplus or deficit in profit or loss

• Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

• Expected to be realised or intended to be sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period, or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period, or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Group has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or

• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c. Foreign currencies

In preparing the consolidated financial statements, transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the Consolidated Statement of Profit and Loss for the year.

d. Revenue recognition

i. Revenue from Contracts with Customers:

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

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

Performance obligations and timing of revenue recognition:

The Group derives its revenue primarily from export of garments and related products, with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer/ agent nominated by the customer.

There is limited judgement needed in identifying the point when control passes:

- once physical delivery of the products has occurred to the location as per agreement,

- the Company no longer has physical possession,

- usually will have a present right to payment (as a single payment on delivery) and

- retains none of the significant risks and rewards of the goods in question

The Group also derives some revenue from job work contracts. In these cases, revenue is recognised as and when services are rendered i.e. the products on which job work is performed is delivered to the customer at agreed location.

Determining the transaction price:

The Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no significant variable consideration involved.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each unit sold, therefore, there is no judgement involved in allocating the contract price to each unit.

Costs of fulfilling contracts:

The costs of fulfilling contracts do not result in the recognition of a separate asset because such costs are included in the carrying amount of inventory for contracts involving the sale of goods.

The Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and loss.

Advances received from customers are in the nature of contract liability.

ii. Revenue from export incentives:

Export incentives are recognised on accrual basis in accordance with the applicable schemes formulated, by the Government of India and where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

iii. Interest income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income ('OCI'), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the Consolidated Statement of Profit and Loss.

iv. Dividends:

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend.

v. Others:

Insurance / other claims are recognised on acceptance basis.

e. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet."

f. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the Consolidated Statement of Profit and Loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the Consolidated Balance Sheet by deducting the grant in arriving at the carrying amount of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Export incentives are recognized on accrual basis in accordance with the applicable schemes formulated, by the Government of India and where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

g. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The

Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

h. Property, plant and equipment (PPE)

On transition to Ind AS, the Group had elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.

Freehold land is carried at historical cost and is not depreciated. Capital work-in-progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Group identifies and determines cost of each component / part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Depreciation is provided using the written down value method ('WDV') as per the useful lives of the assets estimated by the management with residual value at 5%, which is equal to the corresponding rates prescribed under Schedule II of the Companies Act, 2013 ('the Act').

Category of assets	Estimated useful life
Buildings	30 years
Plant and machinery	15 years
Electrical equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalised at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less on a straight line basis.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (2.5 years)	WDV	Acquired

i. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

For arrangements entered into prior to April 1, 2016, the Company had determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

The Group's lease asset classes primarily consist of leases for Buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

k. Inventories

Inventories are valued as follows:

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis. These are valued at lower of cost and net realisable value after considering provision for obsolescence and other anticipated loss, wherever considered necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l. Provisions and contingent liabilities

i. Provisions:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, allowances and bonus etc., are recognised in the consolidated statement of profit and loss in the period in which the employee renders the related service.

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India and liability (net of fair value of investment in LIC) is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each balance sheet date. Every employee who has completed 4 years 240 days or more of the service gets a gratuity on departure at 15 days' salary (last drawn salary) of each completed year of service. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

n. Share- based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service / performance conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Consolidated Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (except in anti-dilution cases).

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the consolidated statement of profit and loss.

The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in consolidated statement of profit or loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

ii. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p. Derivative financial instruments

The Group uses derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

a. Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the consolidated statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in the consolidated statement of profit and loss.

b. Cash flow hedge accounting

The Group designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the net profit in the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

q. Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the consolidated statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

r. Corporate social responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated statement of profit and loss.

s. Cash and Cash equivalent

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.4 THE ENTITIES CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE LISTED BELOW:

₹ in lakhs

Particulars	Gokaldas Exports Limited		All Colour Garments Private Limited		SNS Clothing Private Limited		Vignesh Apparels Private Limited		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Country of incorporation	India		India		India		India			
Relationship as at the year end	Holding Company		Subsidiary		Subsidiary		Subsidiary			
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%		
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%		
Net assets i.e. total assets minus total liabilities [1]										
- As a % of consolidated net assets	100.62%	100.90%	1.28%	1.64%	4.60%	5.77%	0.33%	0.43%	106.83%	108.74%
- ₹ in lakhs (A)	29,186.92	22,866.33	369.96	370.76	1,333.14	1,306.75	96.91	97.65	30,986.93	24,641.49
Consolidation adjustments/eliminations (B) [2]									(1,980.16)	(1,980.16)
Total (A-B)									29,006.77	22,661.33
Share in total comprehensive income										
- As a % of total comprehensive income	99.57%	65.17%	-0.01%	0.05%	0.45%	34.71%	-0.01%	0.06%	100.00%	100.00%
- ₹ in lakhs (C)	5,796.78	(364.90)	(0.80)	(0.30)	26.39	(194.31)	(0.74)	(0.36)	5,821.63	(559.87)
Consolidation adjustments/eliminations (D) [2]									(0.00)	(0.02)
Total (C-D)									**5,821.63**	**(559.89)**

[1] The figures have been considered from the respective standalone financial statements and the consolidated net asset figure has been arrived after consolidation adjustments/ eliminations.

[2] Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidaries have been drawn upto the same reporting date as of the Company.

3 (a). PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ in lakhs

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value [1]												
At April 1, 2019	**734.78**	**1,609.55**	**779.49**	**10,928.48**	**386.12**	**265.71**	**376.31**	**372.82**	**74.26**	**15,527.52**	**144.76**	**144.76**
Additions	-	34.02	664.88	3,486.09	164.98	99.01	45.80	91.04	-	4,585.82	78.98	78.98
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(144.76)	(144.76)
Disposals	-	-	-	(126.60)	-	-	-	(1.39)	-	(127.99)	-	-
At March 31, 2020	**734.78**	**1,643.57**	**1,444.37**	**14,287.97**	**551.10**	**364.72**	**422.11**	**462.47**	**74.26**	**19,985.35**	**78.98**	**78.98**
Additions	-	21.87	703.87	1,131.61	152.06	241.99	158.58	143.90	-	2,553.88	6.72	6.72
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(85.70)	(85.70)
Disposals	-	-	-	(368.80)	-	(0.16)	-	-	(2.61)	(371.57)	-	-
At March 31, 2021	**734.78**	**1,665.44**	**2,148.24**	**15,050.78**	**703.16**	**606.55**	**580.69**	**606.37**	**71.65**	**22,167.66**	**-**	**-**
Depreciation												
At April 1, 2019	**-**	**374.97**	**241.37**	**3,675.11**	**111.17**	**137.99**	**152.19**	**252.57**	**28.23**	**4,973.60**	**-**	**-**
Charge for the year	-	254.30	279.85	1,540.89	62.85	78.17	40.43	90.25	9.03	2,355.77	-	-
Disposals	-	-	-	(56.03)	-	-	-	(1.17)	-	(57.20)	-	-
At March 31, 2020	**-**	**629.27**	**521.22**	**5,159.97**	**174.02**	**216.16**	**192.62**	**341.65**	**37.26**	**7,272.17**	**-**	**-**
Charge for the year	-	92.11	417.91	1,728.37	80.03	109.01	52.57	96.58	6.21	2,582.79	-	-
Disposals	-	-	-	(216.67)	-	(0.09)	-	-	(1.94)	(218.70)	-	-
At March 31, 2021	**-**	**721.38**	**939.13**	**6,671.67**	**254.05**	**325.08**	**245.19**	**438.23**	**41.53**	**9,636.26**	**-**	**-**
Net book value												
At March 31, 2021	**734.78**	**944.06**	**1,209.11**	**8,379.11**	**449.11**	**281.47**	**335.50**	**168.14**	**30.12**	**12,531.40**	**-**	**-**
At March 31, 2020	**734.78**	**1,014.30**	**923.15**	**9,128.00**	**377.08**	**148.56**	**229.49**	**120.82**	**37.00**	**12,713.18**	**78.98**	**78.98**

[1] The Group has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 15 for information on property, plant and equipment pledged as security by the Company.

Capital work-in-progress mainly comprises of leasehold improvements under construction.

3 (b) RIGHT-OF-USE ASSETS

₹ in lakhs

Particulars	Right-of-use Buildings	Total
Right-of-use assets		
At April 1, 2019	6,498.80	6,498.80
Additions	790.90	790.90
Deletions/Modifications	-	-
At March 31, 2020	**7,289.70**	**7,289.70**
Additions	10,260.54	10,260.54
Deletions/Modifications	(1,615.21)	(1,615.21)
At March 31, 2021	**15,935.03**	**15,935.03**
Amortisation		
At April 1, 2019	-	-
Additions	2,981.64	2,981.64
Deletions/Modifications	-	-
At March 31, 2020	**2,981.64**	**2,981.64**
Additions	2,515.98	2,515.98
Deletions/Modifications	(578.74)	(578.74)
At March 31, 2021	**4,918.88**	**4,918.88**
Net Book value		
At March 31, 2021	**11,016.15**	**11,016.15**
At March 31, 2020	**4,308.06**	**4,308.06**

4 OTHER INTANGIBLE ASSETS

₹ in lakhs

Particulars	Computer Software	Total
Gross carrying value [1]		
At April 1, 2019	383.60	383.60
Additions	179.88	179.88
At March 31, 2020	**563.48**	**563.48**
Additions	132.78	132.78
At March 31, 2021	**696.26**	**696.26**
Amortisation and impairment		
At April 1, 2019	198.91	198.91
Amortisation for the year	144.51	144.51
At March 31, 2020	**343.42**	**343.42**
Amortisation for the year	162.73	162.73
At March 31, 2021	**506.15**	**506.15**
Net book value		
At March 31, 2021	**190.11**	**190.11**
At March 31, 2020	**220.06**	**220.06**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of intangible assets as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

5 (a) NON CURRENT INVESTMENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments carried at amortised cost		
(i) Investment in unquoted Government securities		
Investment in National Savings Certificates	0.29	0.29
Total investment in unquoted government securities	**0.29**	**0.29**
Investments carried at cost		
(ii) Unquoted investment in preference shares in body corporates (carried at amortised cost)		
Yepme UK Limited	626.56	626.56
[22,577 (March 31, 2020: 22,577) 0.1% preference shares of GBP 1 each fully paid up]		
Less: Provision for diminution in value of investment (Refer note 1 below)	(626.56)	(626.56)
Total investment in unquoted equity shares in a body corporates	-	-
Total (i+ii)	**0.29**	**0.29**

Note 1:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
	-	-

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Aggregate amount of quoted investments and market value there of	Not Applicable	Not Applicable
Aggregate amount of unquoted investments	0.29	0.29
Aggregate amount of impairment in value of investments	626.56	626.56

5 (b) CURRENT INVESTMENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments carried at fair value through profit and loss		
Investment in liquid mutual fund units		
Quoted		
6,21,513 (March 31, 2020: 6,21,513) units ICICI Pru Liquid Direct-G	1,893.98	1,825.89
44,170 (March 31, 2020: 44,170) units HDFC Liquid Direct-G	1,786.91	1,725.56
Total Investment in mutual fund units	**3,680.89**	**3,551.45**
Aggregate carrying amount and market value of mutual fund investments	3,680.89	3,551.45

6 FINANCIAL ASSETS - LOANS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Non-current		
Unsecured, considered good		
Security and other deposits	2,886.52	3,472.76
Total Financial assets - Loans	**2,886.52**	**3,472.76**

Security and other deposits are primarily in relation to public utility services and rental agreements.

7 FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
Carried at amortised cost			
Unsecured, considered good			
(a) Non-current			
Bank balance held as security against the borrowings		14,692.11	13,899.84
Loans to employees		15.71	7.74
Total other financial assets - non current		**14,707.82**	**13,907.58**
(b) Current			
Derivative instruments at fair value through OCI			
Cash flow hedges - foreign exchange forward contracts		981.01	-
Other financial assets at amortised cost			
Interest accrued on bank deposits		417.70	636.67
Loans to employees		65.43	34.98
Total other financial assets - current		**1,464.14**	**671.65**
Total other financial assets	**(a+b)**	**16,171.96**	**14,579.23**

8 (a) DEFERRED TAX ASSETS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
MAT credit entitlement	680.90	74.19
Total Deferred tax assets	**680.90**	**74.19**

Movement in deferred tax is as below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening balance	74.19	-
Recognised in profit and loss during the year	680.90	74.19
Recognised in other comprehensive income during the year	-	-
Reversed in profit and loss during the year	(74.19)	-
Closing balance	**680.90**	**74.19**

8 (b) NON-CURRENT TAX ASSETS (NET)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Advance payment of income tax (including tax paid under protest)	664.62	1,206.28
Total non-current tax assets (net)	**664.62**	**1,206.28**

9 OTHER CURRENT / NON-CURRENT ASSETS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Non current		
(a) Unsecured, considered good		
Capital advances	102.93	192.25
Prepaid expenses	113.39	11.76
Export incentives receivable	119.89	
	336.21	**204.01**
(b) Unsecured, considered doubtful		
Advance to suppliers	272.63	272.63
Export incentives receivable	30.00	30.00

Less: Provision for doubtful advances and receivables		(302.63)	(302.63)
		-	-
Total non-current assets	**(a+b)**	**336.21**	**204.01**
Current			
(c) Unsecured, considered good			
Prepaid expenses		693.64	519.27
Balances with statutory / government authorities		1,230.73	1,145.26
Advance to suppliers		1,793.79	2,018.67
Export Incentives receivable		1,684.73	3,873.80
Total current assets		**5,402.89**	**7,557.00**
Total current / non-current assets	**(a+b+c)**	**5,739.10**	**7,761.01**

10 INVENTORIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Raw materials (including packing materials) and components	9,200.50	8,321.11
Work-in-progress	11,736.31	15,473.90
Finished goods (readymade garments)	4,347.59	4,551.80
Consumables, stores and spares parts	635.62	577.24
Total inventories	**25,920.02**	**28,924.05**
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	319.62	175.50
Finished goods (readymade garments)	1,055.43	770.66
	1,375.05	**946.16**

(a) For method of valuation for each class of inventories, refer note 2.2(k)

(b) The value of inventores above is stated net of writedown of ₹ 4,505.98 Lakhs as at March 31, 2021 (as at March 31, 2020: ₹ 3,412.24 lakhs)

(c) The carrying value of inventories as at March 31, 2021 and March 31, 2020 is pledged as security against the borrowings (refer note 15)

11 FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Trade receivables:		
From related parties	-	-
From others	17,983.76	14,353.04
Total	**17,983.76**	**14,353.04**
(a) Breakup of trade receivables		
Secured, considered good		
Unsecured, considered good	17,983.76	14,353.04
Trade Receivables which have significant increase in credit Risk	2,185.26	1,374.01
Trade Receivables - credit impaired	-	-
	20,169.02	**15,727.05**

(b) Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good			
Trade Receivables which have significant increase in credit Risk		(2,185.26)	(1,374.01)
Trade Receivables - credit impaired		-	-
		(2,185.26)	**(1,374.01)**
Total Financial assets - Trade receivables	**(a+b)**	**17,983.76**	**14,353.04**

Notes:

i. The Group follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

ii. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

iii. Trade receivables are non-interest bearing.

12 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [1,2]	1,518.12	1,218.51
Cash on hand	8.07	10.77
Total Financial assets - Cash and cash equivalents (Current)	**1,526.19**	**1,229.28**
Non-current		
Bank balances other than cash and cash equivalents		
Held as security against the borrowings		
Bank deposits with remaining maturity for more than 12 months	386.94	226.00
Bank deposits with original maturity of more than 3 months but less than/equal to 12 months	14,305.17	13,673.84
	14,692.11	13,899.84
Amount disclosed under other financial assets	(14,692.11)	(13,899.84)
Total Financial assets - Cash and cash equivalents (Non current)	**-**	**-**

Note:

[1] Balances with bank on current accounts does not earn interest.

[2] includes balances in Exchange Earner's Foreign Currency Accounts.

[3] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Balances with banks		
On current accounts	1,518.12	1,218.51
Cash on hand	8.07	10.77
	1,526.19	1,229.28
Less : Bank overdraft*	(2,446.81)	(2,175.32)
Net debt	**(920.62)**	**(946.04)**

Net debt reconciliation:

₹ in lakhs

Particulars	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 01, 2019	**1,118.75**	**(3,598.24)**	**(2,479.49)**
Cash flows	110.53	1,695.52	1,806.05
Interest charge	-	(272.60)	(272.60)
Net debt as at March 31, 2020	**1,229.28**	**(2,175.32)**	**(946.04)**
Cash flows	296.91	(64.12)	232.79
Interest charge	-	(207.37)	(207.37)
Net debt as at March 31, 2021	**1,526.19**	**(2,446.81)**	**(920.62)**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

13 EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Number of shares	Amount
Authorised share capital		
At April 1, 2019	5,50,00,000	2,750.00
Increase during the year	-	-
At March 31, 2020	**5,50,00,000**	**2,750.00**
Increase during the year	-	-
At March 31, 2021	**5,50,00,000**	**2,750.00**

(a) Issued equity capital

₹ in lakhs

Particulars	Number of shares	Amount
Equity shares of ₹5 each issued, subscribed and fully paid		
At April 1, 2019	4,28,15,663	2,140.78
Add: ESOP's issued during the year	10,000	0.50
At March 31, 2020	4,28,25,663	2,141.28
Add: RSU's issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**

(b)Terms/ rights attached to equity shares

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

(i) The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity is entitled to one vote per share.

(ii) The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend.

(iii) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Clear Wealth Consultancy Services LLP:		
Number of shares	1,39,55,957	1,39,55,957
% holding in the class	32.53%	32.59%
Teesta Retail Private Limited:		
Number of shares	22,80,513	22,80,513
% holding in the class	5.32%	5.33%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 40.

14 OTHER EQUITY

₹ in lakhs

	Particulars	March 31, 2021	March 31, 2020
	Reserves and Surplus		
(A)	**Securities premium reserve**		
	Balance at the beginning of the year	20,459.15	20,404.46
	Add: received during the year on account of exercise of ESOP's	-	2.72
	Add: transfer from share-based payments reserve	50.59	51.97
	Balance at the end of the year	**20,509.74**	**20,459.15**
	This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.		
(B)	**General reserve**		
	Balance at the end of the year	**2,192.09**	**2,192.09**
	Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.		
(C)	**Capital Reserve on Amalgamation**		
	Balance at the end of the year	**9,769.12**	**9,769.12**
	Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor company.		
(D)	**Share-based payments reserve**		
	Balance at the beginning of the year	1,131.81	479.87
	Add: addition during the year	520.31	703.91
	Less: transfer to securities premium reserve	(50.59)	(51.97)
	Balance at the end of the year	**1,601.53**	**1,131.81**
	Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		
(E)	**Retained earnings**		
	Balance at the beginning of the year	(11,006.35)	(12,324.23)
	Change in accounting policy on adoption of Ind AS 116	-	(1,524.18)
	Restated balance	(11,006.35)	(13,848.41)
	Profit / (Loss) for the year	2,649.16	3,038.71

	Add: Remeasurement of post employment benefits obligations (net of deferred tax)	165.69	(196.65)
	Balance at the end of the year	**(8,191.50)**	**(11,006.35)**
	Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
(F)	**Cash flow hedging reserve**		
	Balance at the beginning of the year	(2,025.77)	1,376.18
	Add: gain/(loss) for the year	3,006.78	(3,401.95)
	Balance at the end of the year	**981.01**	**(2,025.77)**
	When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss when related forecasted transaction (hedged item) affects the profit or loss.		
	Total other equity (A+B+C+D+E+F+G)	**26,861.99**	**20,520.05**

15 FINANCIAL LIABILITIES - BORROWINGS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Non-current borrowings		
Term loans from banks (Secured)		
Indian rupee term loan from bank	1,884.27	-
Total non-current borrowings (Secured) (Refer Note 15(A))	**1,884.27**	**-**
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan	22,337.89	28,572.90
Indian rupee loan from bank	-	322.78
Bill discounting from banks	7,210.56	5,524.07
Bank overdraft	2,446.81	2,175.32
Total current borrowings (Secured)	**31,995.26**	**36,595.07**
Loans repayable on demand from banks (Unsecured)		
Indian rupee loan from bank	-	2,500.00
Total current borrowings (Unsecured)	**-**	**2,500.00**
Total current borrowings (Secured+Unsecured) (Refer Note 15(B))	**31,995.26**	**39,095.07**
Total Financial liabilities - Borrowings	**33,879.53**	**39,095.07**
The above amount includes		
Secured non-current borrowings	1,884.27	-
Secured current borrowings	31,995.26	36,595.07
Unsecured current borrowings	-	2,500.00
	33,879.53	**39,095.07**

Note 15(A): Notes on non-current Borrowings
Indian rupee term loan from bank (Secured)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Gross amount of indian rupee term loan taken	5,013.10	-
Outstanding balance:		
Non current borrowings	1,884.27	-
Current maturities of long-term borrowings	2,642.17	-
Total outstanding balance	4,526.44	-
Applicable Interest rate	8% to 8.45%	-

The above loan includes the term loan taken from the banks under COVID emergency line of credit (CELC) scheme.

Terms of repayment:

Indian rupee term loan from banks is repayable in 24 to 48 equal monthly instalments with a morotorium period of 6 months.

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Number of instalments due as at Balance sheet date (months)	14 to 42	-
Maturity profile including current maturities:		
Not later than one year	2,642.17	-
Later than one year but not later than two years	1,106.60	-
Later than two years but not later than three years	466.60	-
Later than three years but not later than four years	311.07	-
Later than four years but not later than five years	-	-
More than five years	-	-
	4,526.44	**-**

Repayment of non-current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of non-current borrowings and interest there on.

Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any non-current borrowings from related parties.

Disclosure about the nature of security:

The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) Current assets (including trade receivables) of the Company (iii) hypothication of Plant & Machinery and Equipments and Land & Buildings (iv) fixed deposits.

During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 38) have given any personal guarantee or personal security for any non-current borrowings taken by the Company and is outstanding as at balance sheet date.

Note 15 (B):Notes on current Borrowings:

[1] Indian rupee packing credit loan from a bank of ₹ 6,000 lakhs (March 31, 2020: ₹ 8,000 lakhs) carries interest @ MCLR + 0.75% (March 31, 2020: one year MCLR + 0.60%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 5,634.06 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 6,886.59 lakhs). Also refer note 15(B) 10 and 11 below.

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs (March 31, 2020: ₹ 21,000 lakhs) carries interest @ Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2020: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 15,829.96 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 20,201.55 lakhs). Also refer note 15(B) 10 and 11 below.

[3] Indian rupee packing credit loan from a bank of ₹ 3,000 lakhs (March 31, 2020: ₹ 2,000) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2020: MCLR) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 873.87 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 1,484.76). Also refer note 15(B) 10 and 11 below.

[4] Indian rupee loan from a bank of ₹ Nil lakhs (March 31, 2020: ₹ 2,700 lakhs) carries interest @pledged fixed deposit interest rate plus applicable spread of 1% p.a. (March 31, 2020:pledged fixed deposit interest rate plus applicable spread of 1 % p.a) and interest is payable monthly. The loan is secured by pledge of fixed deposits. Out of the above, ₹ Nil is outstanding as at March 31, 2021 (March 31, 2020: ₹ 322.78 lakhs). Also refer note 15(B) 10 and 11 below.

[5] Bill discounting from a bank of ₹ 4,000 lakhs (March 31, 2020: ₹ 2,000 lakhs) carries interest @LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and @ MCLR plus 0.75% for Indian Rupee bills discounting (March 31, 2020: LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.60% for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 1,073.12 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 1,086.75 lakhs). Also refer note 15(B) 10 and 11 below.

[6] Bill discounting from a bank of ₹ 10,850 lakhs (March 31, 2020: ₹ 10,850 lakhs) carries interest @6 months LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2020:@6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 4,753.37 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 4,009.35 lakhs). Also refer note 15(B) 10 and 11 below.

[7] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2020: ₹ 500 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') for Indian Rupee bills discounting (March 31, 2020: @MCLR for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 1,384.07 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 427.97). Also refer note 15(B) 10 and 11 below.

[8] Bank overdraft from banks carries interest @one year MCLR plus applicable spreads of 2.50% p.a. (March 31, 2020:@one year MCLR plus applicable spreads of 4.50%) and interest is payable on monthly basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/ goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ 2,446.81 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 2,175.32 lakhs). Also refer note 15(B) 10 and 11 below.

[9] Indian rupee loan from a bank of ₹ Nil (March 31, 2020: ₹ 2,500 lakhs) carries interest @ MCLR plus applicable spread of 0.20% (March 31, 2020: @ MCLR plus applicable spread of 0.20%) and interest is payable monthly. The loan is unsecured. Out of the above, ₹ Nil is outstanding as at March 31, 2021 (March 31, 2020: ₹ 2,500 lakhs)

[10] The Company has further provided the following as the collateral to the consortium lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 15(B).

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Group,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

c) Pari passu charge on certain fixed deposits made by the Company

[11] The Company has availed the interest subvention @3% during the years ended March 31, 2021 and March 31, 2020 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

[12] The Reserve Bank of India has announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. Accordingly, as per the said guidelines, the company has availed three months moratorium of the working capital interest on the balance outstanding as on March 01, 2020. However, the Company has accrued the interest on the outstanding balances.

[13] During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 38) have given any personal guarantee or personal security for any borrowings taken by the Company and is outstanding as at balance sheet date.

[14] Repayment of current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of current borrowings and interest there on.

[15] Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties.

16 LEASE LIABILITIES

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Non current			
Lease Liabilities		8,555.17	2,946.02
		8,555.17	**2,946.02**
(b) Current			
Lease Liabilities		2,773.56	2,120.45
		2,773.56	**2,120.45**
Total Lease Liabilities	**(a+b)**	**11,328.73**	**5,066.47**

Refer Note 35 (I) for maturity profile and other details.

17 PROVISION FOR EMPLOYEE BENEFITS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Non-current			
Gratuity		527.00	455.30
		527.00	**455.30**
(b) Current			
Gratuity		1,924.60	2,137.00
Leave benefits		861.26	906.95
		2,785.86	**3,043.95**
Total provision for employee benefits	**(a+b)**	**3,357.86**	**3,499.25**

18 FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current		
Total outstanding dues of micro, small and medium enterprises	51.71	24.39
Total outstanding dues of creditors other than micro, small and medium enterprises	11,119.99	11,404.59
Total Financial liabilities - Trade payables	**11,171.70**	**11,428.98**

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.
- For explanations on the Company's credit risk management processes, refer note 41.

19 FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	-	2,308.54
Other financial liabilities at amortised cost		
Current maturities of long-term borrowings	2,642.17	-
Interest accrued and not due on loans	100.93	162.45
Employee related payables	6,034.40	5,708.82
Liability for capital assets	270.09	1,532.02
Total financial liabilities - other current financial liabilities	**9,047.59**	**9,711.83**

20 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Advances received from customers	144.47	188.96
Statutory liabilities payable*	762.47	819.97
Total Other current liabilities	**906.94**	**1,008.93**

*Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

21 CURRENT TAX LIABILITY (NET)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current tax liability (net)	337.79	-
Total Current tax liability (net)	**337.79**	**-**

22 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Sale of finished goods			
Exports		94,173.84	1,03,212.67
Domestic		20,372.42	24,973.08
		1,14,546.26	**1,28,185.75**
(b) Other operating revenues			
Export incentives and others*		4,712.80	6,686.28
Sale of accessories, fabrics, scrap and others		1,574.70	1,886.39
Job work income		238.97	336.43
		6,526.47	**8,909.10**
Total Revenue from operations	**(a+b)**	**1,21,072.73**	**1,37,094.85**

* Others represents government grant, which is in the form of import duty savings, have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2021 and March 31, 2020.

i. Disaggregation of Revenue from sale of finished goods

The Group has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 34.

₹ in lakhs

Primary Geographic Markets (Name of the country)	Sale of finished goods	
	March 31, 2021	March 31, 2020
United States of America	76,754.26	76,412.38
Canada	3,612.89	3,745.55
Spain	1,561.73	3,401.77
France	1,554.71	1,768.32
United Kingdom	1,344.44	811.39
Denmark	1,185.77	1,137.49
Netherlands	1,149.33	1,451.40
China	1,056.04	1,992.40
Germany	731.94	1,803.98
Japan	669.51	1,455.16
Other Overseas Countries	4,553.22	9,232.83
India	20,372.42	24,973.08
Total	**1,14,546.26**	**1,28,185.75**

ii. Remaining performance Obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

iii. Estimates and assumptions

Except as disclosed in note 48, there are no significant estimates and assumptions.

iv. Contract balances

₹ in lakhs

Particulars	Contract liabilities	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	188.96	169.54
Less: Amount included in contract liabilities that was recognised as revenue during the period	(188.96)	(169.54)
Add: Cash received in advance of performance and not recognised as revenue during the period	144.47	188.96
Balance at the end of the year	**144.47**	**188.96**

23 OTHER INCOME

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Interest income on:		
Bank deposits	690.20	935.47
Security deposits	196.22	235.86
Income tax refunds	54.46	36.66
Others	-	1.19
Other non-operating income :		
Net gain on disposal of property, plant and equipment	61.39	43.47
Gain on sale of investments in mutual fund units	14.32	131.67
Fair value gain on Investment in mutual funds	129.44	36.57
Provisions no longer required, written back	-	5.17
Miscellaneous income	74.93	201.71
Total Other income	**1,220.96**	**1,627.77**

24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	8,321.11	6,214.70
Add: Purchases	57,441.75	71,716.16
	65,762.86	77,930.86
Less: inventory at the end of the year	(9,200.50)	(8,321.11)
Total cost of raw materials and components consumed	**56,562.36**	**69,609.75**

25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Inventories at the beginning of the year		
Work-in-progress	15,473.90	13,246.64
Finished goods (Readymade garments)	4,551.80	6,364.35
	20,025.70	19,610.99
Inventories at the end of the year		
Work-in-progress	11,736.31	15,473.90
Finished goods (Readymade garments)	4,347.59	4,551.80
	16,083.90	20,025.70
Total changes in inventories of finished goods and work-in-progress	**3,941.80**	**(414.71)**

26 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Salaries and wages	32,277.23	39,730.11
Contribution to provident and other funds	3,132.16	4,273.85
Share based payment expenses	520.31	703.91
Gratuity expense (net)	722.98	734.91
Staff welfare expense	503.70	1,299.66
Total employee benefit expenses	**37,156.38**	**46,742.44**

Note: The Indian Parliament had approved the Code on Social Security, 2020 ('the Code'). The Ministry of Labour and Employment has notified the draft rules under the Code on November 13, 2020 inviting objections and suggestions, if any, from the stakeholders. The draft rules provide for operationalization of provisions in the Code relating to Employees' Provident Fund, Employees' State Insurance Corporation, Gratuity, Maternity Benefit, Social Security and Cess in respect of Building and Other Construction Workers, Social Security for Unorganised Workers, Gig Workers and Platform Workers.

The Group is in the process of assessing the impact and will give appropriate accounting treatment in its financial statements in the period in which the Code (including the related rules framed thereunder) becomes effective.

27 FINANCE COSTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	1,910.90	2,081.66
on bill discounting and others	281.75	446.25
on lease liabilities	651.70	693.66
Bank charges and other borrowing costs	601.88	460.90
Total finance costs	**3,446.23**	**3,682.47**

28 DEPRECIATION AND AMORTIZATION EXPENSE

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment	2,582.79	2,355.77
Amortisation of other intangible assets	162.73	144.51
Amortisation on right-of-use assets	2,515.98	2,981.64
Total depreciation and amortisation expense	**5,261.50**	**5,481.92**

29 OTHER EXPENSES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Consumption of consumables, stores and spares	632.14	966.71
Power and fuel	1,906.57	2,358.76
Other manufacturing expenses	212.55	261.86
Rent	1,459.05	435.95
Rates and taxes	369.41	263.51
Insurance	515.43	427.93
Repairs and maintenance		
Plant and machinery	474.84	608.14
Buildings	186.49	136.96
Others	398.77	529.08
Legal and professional fees	745.41	979.37
Printing and stationery	339.59	403.18

Communication costs	157.54	149.04
Travelling and conveyance	364.65	632.32
Payment to auditors*	34.03	31.35
Sitting fees	50.40	52.00
Freight and forwarding expenses	1,652.34	1,900.37
CSR expenditure	9.05	-
Irrecoverable balances written off	84.00	-
Provision for doubtful debts	813.77	514.01
Miscellaneous expenses **	1,497.93	2,154.38
Total other expenses	**11,903.96**	**12,804.92**

** Includes contributions amounting ₹ Nil (March 31, 2020: ₹ 200 Lakhs) made under section 182 of the Companies Act, 2013

*** Payment to auditors (exclusive of GST)**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Audit fees (including fees for audit of consolidated and standalone financial statements and quaterly limited reviews)	33.00	30.00
Out of pocket expenses	1.03	1.35
Total payment to auditors (exclusive of GST)	**34.03**	**31.35**

30 EXCEPTIONAL ITEMS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Export Incentives Receivables written off	-	(610.84)
Net gain on disposal of land and building	-	2,604.78
Total exceptional items	**-**	**1,993.94**

31 INCOME TAX

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. These companies can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Companies are liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Income tax expenses in the consolidated statement of profit and loss consist of the following:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
(a) Adjustment of tax relating to earlier periods	7.64	-
(b) Current tax	685.90	74.19
(c) Deferred tax	(680.90)	(74.19)
Total taxes	**12.64**	**-**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Profit/(Loss) after exceptional items and before tax	2,661.80	3,038.71
Applicable tax rates in India	34.944%	34.944%
Computed tax expense	930.14	1,061.85
Tax effect of:		
Exempted income	(2,923.60)	(3,647.76)
Expenses disallowed	3,224.50	3,624.78
Carried forwarded tax losses	(1,218.40)	(1,038.87)
Total current tax expenses	**12.64**	**-**

The Group has accumulated tax losses which arose in India of ₹ 2,995.39 lakhs (March 31, 2020:₹ 10,767.98 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2024.

The Company has unabsorbed depreciation of ₹ 3,593.58 lakhs (March 31, 2020: ₹ 3,588.15 lakhs) that are available for offsetting for indefinite period.

Deferred tax assets have not been recognised in respect of these losses due to uncertainity surrounding availability of future taxable income against which such loss can be offset.

32 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the data used in the basic and diluted EPS computations:

Particulars	March 31, 2021	March 31, 2020
Face value of equity shares (₹ per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Group (₹ lakhs)	2,649.16	3,038.71
Weighted average number of equity shares used for computing earning per share (basic)	4,28,55,005	4,28,20,197
Weighted average number of equity shares used for computing earning per share (diluted)	4,54,10,985	4,55,33,704
EPS - basic (₹)	6.18	7.10
EPS - diluted (₹)	5.83	6.67

33 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

d. Impairment of non-current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions, etc.

e. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

In respect of bank guarantees provided by the Group to third parties, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

g. Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

h. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "Changes in inventories of finished goods and work-in-progress" in the statement of profit and loss.

i. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

j. Non current assets held for sale

Non current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

k. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/RSUs granted. The Company estimates fair value of ESOPs/RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

l. Revenue from Export incentives

For measurement of income from the export incentives, significant estimates and judgments are made which include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate notified/to be notified by the government authorities.

34 SEGMENT INFORMATION- DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENT'

(a) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses; (b) whose operating results are regularly reviewed by the Group's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Group is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

(c) Geographic information

The Company mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

₹ in lakhs

Particulars	Segment revenue*		Non current assets**	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
India	26,236.26	33,116.35	24,073.87	17,524.29
Rest of world	94,836.47	1,03,978.50	-	-
Total	**1,21,072.73**	**1,37,094.85**	**24,073.87**	**17,524.29**

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2020: Three) customer amounted to ₹ 70,975.61 lakhs (March 31, 2020: ₹ 73,630.93 lakhs), arising from sales of readymade garments.

*Total Revenue from operations by geographical area are based on the geographical location of the client.

**Non-current assets excludes non current financial assets and non current tax assets.

35 COMMITMENTS AND CONTINGENCIES

I. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and nonlease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both. The Group records the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.

The movement in lease liabilities is as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening balance	5,066.47	7,412.73
Additions	10,054.42	820.49
Deletions	(1,435.61)	-
Finance cost accrued	651.70	693.66
Payment of lease liabilities	(3,008.25)	(3,860.41)
Closing balance	**11,328.73**	**5,066.47**

The break-up of current and non-current lease liabilities is as follows

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current lease liabilities	8,555.17	2,946.02
Non-current lease liabilities	2,773.56	2,120.45
Total	**11,328.73**	**5,066.47**

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Less than one year	3,944.74	2,502.73
One to five years	11,330.08	3,547.12
More than five years	997.14	648.61
Total	**16,271.96**	**6,698.46**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases during the year is ₹ 1,459.05 Lakhs (31 March 2020: ₹ 435.95 Lakhs).

II. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
(a) Performance Bank Guarantees		
Sanctioned	263.00	500.00
Outstanding	171.68	138.92
(b) Outstanding letters of credit		
Sanctioned	4,249.00	4,822.00
Outstanding	3,167.32	2,398.00
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	838.37
(ii) Matters relating to other taxes under dispute	132.15	132.15

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(ii) The Group is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Group's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the consolidated financial statements.

III. Capital and other commitments

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	937.39	185.33
Commitments relating to forward contract- hedge of highly probable forecast sales	80,141.46	55,944.37

36 HEDGING ACTIVITIES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount in lakhs	Average Strike rate
March 31, 2021	US$	1,052.30	76.16
March 31, 2021	INR	80,141.46	
March 31, 2020	US$	761.73	73.44
March 31, 2020	INR	55,944.37	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Nominal amount of hedging instrument	80,141.46	55,944.37
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	981.01	-
Liabilities	-	2,308.54
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 19
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	981.01	(2,025.77)
For hedges no longer applied	-	-
Total balance	**981.01**	**(2,025.77)**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The cash flow hedges of the expected future sales during the year ended March 31, 2021 and March 31, 2020 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2021 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ended March 31, 2022.

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on :

₹ in lakhs

Cash flow hedge reserve	March 31, 2021	March 31, 2020
Opening balance	(2,025.77)	1,376.18
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	3,442.13	(2,692.39)
Less: amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	(435.35)	(709.56)
Less: amount reclassified to consolidated statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	3,006.78	(3,401.95)
Less: amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**981.01**	**(2,025.77)**

The Group offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

37 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the consolidated statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit.

(a) Net benefit expenses (recognised in the consolidated statement of profit and loss)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current service cost	585.76	618.38
Net interest cost on defined benefit obligations / (assets)	137.22	116.53
Net benefit expenses	**722.98**	**734.91**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	(13.44)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	5.63	103.53
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(171.43)	105.79
Actuarial (gain)/loss arising during the year	**(165.80)**	**195.89**
Return on plan assets (greater)/less than discount rate	0.11	0.76
Actuarial (gain)/ loss recognised in other comprehensive income	**(165.69)**	**196.65**

(c) Net defined benefit asset / (liability)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Defined benefit obligation	2,477.48	2,616.30
Fair value of plan assets	(25.88)	(24.00)
Plan liability/ (asset)	**2,451.60**	**2,592.30**

(d) Changes in the present value of defined benefit obligation are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	2,616.30	2,161.40
Current service cost	585.76	618.38
Interest cost on the defined benefit obligation	138.70	118.57
Benefits paid	(697.48)	(477.93)
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	(13.44)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	5.63	103.53
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(171.43)	105.79
Closing defined benefit obligation	2,477.48	2,616.30

(e) Changes in the fair value of plan assets are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	24.00	43.38
Interest income on plan assets	1.48	2.04
Contributions by employer	697.99	457.29
Benefits paid	(697.48)	(477.93)
Return on plan assets (lesser)/greater than discount rate	(0.11)	(0.78)
Closing fair value of plan assets	**25.88**	**24.00**

The Group expects to contribute ₹ 1,924.60 lakhs (March 31, 2020: ₹ 2,137.00 lakhs) towards gratuity fund.

(f) The following benefit payments (undiscounted) are expected in future years:

₹ in lakhs

Particulars	March 31, 2021
March 31, 2022	491.33
March 31, 2023	363.46
March 31, 2024	278.81
March 31, 2025	206.48
March 31, 2026	183.45
March 31, 2027 to March 31, 2031	1,810.74

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2021	March 31, 2020
Investments with insurer	100%	100%

(h) The principal assumptions used in determining gratuity for the Group's plan is as shown below:

Particulars	March 31, 2021	March 31, 2020
Discount rate (in %)	6.12%	6.17%
Salary escalation (in %)	5% to 8%	5% to 8%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	Refer note 4 below

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.
5. Refer note 17 for current and non current classification.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(100.76)	(106.91)
Impact of defined benefit obligation due to 1% decrease in discount rate	109.57	116.34

Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	94.14	100.08
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(87.96)	(93.68)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(19.66)	(21.46)
Impact of defined benefit obligation due to 1% decrease in attrition rate	20.07	21.90

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

38 RELATED PARTY TRANSACTIONS

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Sivaramakrishnan Vilayur Ganapathi, Managing Director
	Mr. Mathew Cyriac (Non Executive Director)
	Mr. Arun K Thiagarajan (Independent Director) (resigned w.e.f July 29, 2019)
	Mr. Jitendrakumar H.Mehta (Independent Director) (resigned w.e.f July 18, 2019)
	Ms. Anuradha Sharma (Independent Director)
	Mr. Gautham Madhavan (Non Executive Director)
	Mr. Prabhat Kumar Singh (Director)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Shrithee MS (Company Secretary) (appointed w.e.f November 11, 2020)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019) (resigned w.e.f November 10, 2020)

b. Summary of transactions during the year with the above related parties are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Vilayur Ganapathi [1]	241.48	388.76
Sathyamurthy A [2]	115.63	141.24
Prabhat Kumar Singh	40.00	65.00
Shrithee MS	3.47	-
Sameer Sudarshan R V	7.25	13.34
	407.83	**608.34**
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Richard B. Saldanha	13.60	12.00
Mathew Cyriac	12.80	13.60
Anuradha Sharma	13.60	11.20
Gautham Madhavan	10.40	8.00
Arun K Thiagarajan	-	4.80
Jitendrakumar H Mehta	-	2.40
	50.40	**52.00**

c) Summary of compensation of key managerial personnel of the Company [1]		
Managerial remuneration	407.83	608.34
Sitting fees	50.40	52.00
Share based payment expenses	376.98	399.44
	835.21	**1,059.78**

[1] Previous year remuneration includes variable pay of ₹ 150 Lakhs pertaining to the FY 2018-19 and paid during the previous year.

[2] Remuneration includes variable pay of ₹ 15 Lakhs pertaining to 2019-20 and paid during 2020-21 (March 31, 2020: ₹ 30 Lakhs, pertaining to 2018-19 and paid during 2019-20).

c. Summary of outstanding balances with the above related parties are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i) Remuneration payable to Key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	150.00	150.00
Mr. Sathyamurthy A	40.00	40.00
	190.00	**190.00**

[1] As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Group as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

39 DISCLOSURES OF DUES/PAYMENTS TO MICRO, SMALL AND MEDIUM ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE GROUP

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i. The principal amount due thereon remaining unpaid as at the year end	51.71	24.39
Interest amount due and remaining unpaid as at the year end	-	-
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

40 SHARE- BASED PAYMENTS

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Group approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries and directors and provided for the issue of 17,18,800 shares of ₹ 5 each.

Further, the shareholders of the Group by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Group and provided for the issue of 21,33,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Group recognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is ranging from two to three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

Employee stock option expense is as set out below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Expense arising from equity-settled share based payment transactions	520.31	703.91
	520.31	**703.91**

Movement during the year for ESOP 2010 Plan:
The activity in the ESOP 2010 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2021		March 31, 2020	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	5,41,667	78.30	5,85,001	76.53
Granted during the year	-	-	-	-
Exercised during the year	-	-	(10,000)	32.25
Lapsed during the year	-	-	(33,334)	61.02
Closing balance	5,41,667	78.30	5,41,667	78.30
Exercisable as at year end	4,81,667		4,21,667	

The weighted average share price at the date of exercise of the options during the period is not applicable (March 31, 2020 : ₹ 79.4).

The weighted average remaining contractual life for the share options outstanding is 5.64 years (March 31, 2020: 6.64 years)

The range of exercise prices for options outstanding at the end of the year was ₹ 32.25 to ₹ 85.96 (March 31, 2020: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:
The activity in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2021		March 31, 2020	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	20,98,040	5.00	21,33,040	5.00
Granted during the year	-	-	-	-
Exercised during the year	(70,000)	5.00	-	-
Lapsed during the year	(2,23,040)	5.00	(35,000)	5.00
Closing balance	18,05,000	5.00	20,98,040	5.00
Exercisable as at year end	15,55,000		-	

The weighted average remaining contractual life for the share options outstanding is 5.14 years (March 31, 2020: 6.12 years)

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2020: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2020: ₹ 5).

The following table list the inputs to the models used for the ESOP 2010 plan:

Particulars	March 31, 2021	March 31, 2020
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under ESOP 2010 during the year ended March 31, 2021 and March 31, 2020.

The following table list the inputs to the models used for the RSU 2018 plan :

Particulars	March 31, 2021	March 31, 2020
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under RSU 2018 during the year ended March 31, 2021 and March 31, 2020.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

41 DISCLOSURES ON FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in Note 2.3(b) and Note 2.3(o) to the consolidated financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities:

As at March 31, 2021

₹ in lakhs

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,681.18	-	3,681.18
Loans	2,886.52	-	2,886.52
Trade receivables	17,983.76	-	17,983.76
Cash and cash equivalents	1,526.19	-	1,526.19
Other financials assets	15,190.95	-	15,190.95
Foreign exchange forward contracts	-	981.01	981.01
Total assets	**41,268.60**	**981.01**	**42,249.61**

Financial liabilities			
Lease liabilities	11,328.73	-	11,328.73
Borrowings	31,995.26	-	31,995.26
Trade payables	11,171.70	-	11,171.70
Other financial liabilities	9,047.59	-	9,047.59
Foreign exchange forward contracts	-	-	-
Total liabilities	**63,543.28**	**-**	**63,543.28**

As at March 31, 2020

₹ in lakhs

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,551.74	-	3,551.74
Loans	3,472.76	-	3,472.76
Trade receivables	14,353.04	-	14,353.04
Cash and cash equivalents	1,229.28	-	1,229.28
Other financials assets	14,579.23	-	14,579.23
Foreign exchange forward contracts	-	-	-
Total assets	**37,186.05**	**-**	**37,186.05**
Financial liabilities			
Lease liabilities	5,066.47	-	5,066.47
Borrowings	39,095.07	-	39,095.07
Trade payables	11,428.98	-	11,428.98
Other financial liabilities	7,403.29	-	7,403.29
Foreign exchange forward contracts	-	2,308.54	2,308.54
Total liabilities	**62,993.81**	**2,308.54**	**65,302.35**

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

₹ in lakhs

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2021				
Financial assets				
Foreign exchange forward contracts	-	981.01	-	981.01
March 31, 2020				
Financial liabilities				
Foreign exchange forward contracts	-	2,308.54	-	2,308.54

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

Fair value of loans (security deposits) having a carrying amount of ₹ 2,886.52 lakhs as at March 31, 2021 (March 31, 2020: ₹ 3,472.76 lakhs) was ₹ 2,886.52 Lakhs (March 31, 2020: ₹ 3,472.76 lakhs).

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021 and March 31, 2020.

(c) Financial risk management objectives and policies

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy

(i) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in lakhs

Particulars	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2021	50	182.61
March 31, 2020	50	195.48

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from investing activities is not material.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2021 and March 31, 2020, the Group hedged ₹ 80,141.46 lakhs (US$ 1,052.30 lakhs) and ₹ 55,944.37 lakhs (US$ 761.73 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2021 and March 31, 2020

in lakhs

Particulars	Currency	March 31, 2021	March 31, 2020
Assets			
Trade receivables	US$	133.55	84.98
Trade receivables	EUR	4.99	0.37
Advance to suppliers	US$	13.37	14.48
Capital advances	US$	0.57	0.73
Capital advances	EUR	0.09	-
Cash and cash equivalents	US$	0.95	0.01
Liabilities			
Trade payables	US$	7.26	4.60
Liability for capital assets	US$	1.45	12.25
Liability for capital assets	EUR	-	0.18
Advances received from customers	US$	0.30	0.61

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in US$ exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in US$ rate	Effect on profit before tax
March 31, 2021		
₹ in lakhs	5%	512.75
March 31, 2020		
₹ in lakhs	5%	311.97

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2021 and March 31, 2020. The period end balances are not necessarily representative of the average debt outstanding during the period.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments and cash and cash equivalents.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 42,249.16 lakhs, ₹ 37,186.05 lakhs, as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Group does not hold collateral as security.

With respect to trade receivables, the Group has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings etc. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

₹ in lakhs

Particulars	0-1 year	> 1 year	Total
March 31, 2021			
Lease liabilities	2,773.56	8,555.17	11,328.73
Borrowings	31,995.26	1,884.27	33,879.53
Trade payables	11,171.70	-	11,171.70
Other financial liabilities	9,047.59	-	9,047.59
	54,988.11	**10,439.44**	**65,427.55**
March 31, 2020			
Lease liabilities	2,120.45	2,946.02	5,066.47
Borrowings	39,095.07	-	39,095.07
Trade payables	11,428.98	-	11,428.98
Other financial liabilities	9,711.83	-	9,711.83
	62,356.33	**2,946.02**	**65,302.35**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Group's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ Nil as on March 31, 2021 and March 31, 2020 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Group's investment in a foreign associate.

42 CAPITAL MANAGEMENT

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group

The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long term and short term bank borrowings and issue of securities.

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings including current maturities	36,521.70	39,095.07
Total debts	**36,521.70**	**39,095.07**
Capital components		
Equity share capital	2,144.78	2,141.28
Other equity	26,861.99	20,520.05
Total capital	**29,006.77**	**22,661.33**
Capital and borrowings	**65,528.47**	**61,756.40**
Gearing ratio (%)	**55.73%**	**63.31%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest-bearing loans and borrowing for all the periods presented.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

43 The Group is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Group during financial year ended March 31, 2021. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

44 The Group assessed the fair value less cost of sale of the investment in an associate held for sale. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Group's investment. The Group has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the year ended March 31, 2019. The Group continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss. Further to related developments during the year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.

45 The Group had filed petition with the Group Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

46 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting Company). Consequently, the Director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Group is confident to receive a favourable order and that there will not be a material impact on the Consolidated Ind AS financial statements of the Company.

47 During the year ended March 31, 2019, certain foreign customers had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on recommendation of legal counsel, the Group had filed a claim for the balances outstanding with the relevant authorities, including for some claims which were eligible for preferential payment. Based on final negotiation and settlement under the reorganization plan by the court appointed administrative claims manager and also realisations made during the year, the Group carries 100% provision on account of expected credit loss towards this customer.

During the quarter ended June 30, 2020 another foreign customer of the Group had filed for bankruptcy and for a plan for reorganization of its business and creditors in the court. The customer has filed a creditor claim for the outstanding for ₹ 250 Lakhs as at the date of such filing. The Group had partially collected the amount subsequent to the year end March 31, 2021. The Company carries 100% provision on account of expected credit loss towards this customer for the balance amount.

48 Under the Remission of Duties and Taxes on Export Products RoDTEP the Group is eligible to claim a government grant in the form of refunds of embedded taxes and duties All the items previously under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme

The scheme has been effective since January 1, 2021 However, the incentive rates are yet to be notified by the authorities For the textile/garment industry sector, the RoSCTL scheme was introduced with effect from March 7, 2019 Later, for the textile/garment manufacturing sector, the Government retrospectively withdrew 4% MEIS w.e. f. March 7, 2019 through a notification issued on January 14, 2020.

For the relevant period January 1 2021 onwards, the Group has recognized INR 7.57 Crore of income towards RoDTEP and corresponding receivable which is lower than the rates applicable up to December 31, 2020.

For measurement of income from the aforementioned government grants, significant estimates and judgments are made by the management The estimates, inputs, and judgments used by the management include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate expected to be notified by the government authorities, the estimation on the rate involves a high level of uncertainty considering the delay in notification of the rate, the Group has performed sensitivity analysis on the sources of estimation uncertainty and appropriately considered the same while recognizing the income from government grants.

49 In view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E 15012020-215423 dated January 14, 2020, the Group had reversed the Merchandise Export from India Scheme (MEIS) benefit relating to previous year and same is disclosed as an exceptional item.

50 During the quarter ended March 31, 2020, pursuant to the approval of the Board of Directors, the Company has concluded the sale of one of its lands, alongwith building constructed thereon. The transaction resulted in a gain of ₹ 2,604.78 lakhs, which has been recognised as an exceptional item.

51 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

Gross amount required to be spent by the Group on Corporate Social Responsibility as per Section 135 of the Companies Act 2013 for the year ended March 31, 2021 is ₹ 9.05 lakhs (March 31, 2020: ₹ Nil). For the year ended March 31, 2021, the Group had spent ₹ 9.05 lakhs. There is no unspent amount to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

52 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the quarter and year ended March 31, 2021 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at March 31, 2021 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Group has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets, the Group has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

53 For the period/ days of the respective lockdowns imposed by the government, the Group has evaluated the various directions, circulars and orders issued by government authorities regarding payment of wages to employees, and accordingly has paid certain ex-gratia amount to eligible employees for the period of lockdown where they have not worked.

The matter relating to validity of government orders relating to payment of wages during lockdown is pending conclusion with the Honourable Supreme Court of India (SC).

Pending conclusion of such matter, management based on the interim order of SC and advise obtained from external legal expert, has concluded that the Group is in compliance with the relevant requirement on this matter.

The Group will reassess, if necessary, any further actions, based on the final conclusion by the SC in this regard.

Additionally, Employee benefit expenses is lower during the current year compared to the previous year on account of optimization including structuring of compensation and manpower due to impact on Group's operations on account of COVID-19.

54 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

55 Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's classification.

As per our report of even date

For **MSKA & Associates** Chartered Accountants ICAI Firm registration number: 105047W	For and on behalf of the Board of Directors of **Gokaldas Exports Limited** CIN: L18101KA2004PLC033475	
Deepak Rao Partner Membership No.: 113292	**Richard B Saldanha** Chairman of Board of Directors DIN: 00189029 **Place:** Hyderabad	**Sivaramakrishnan Vilayur Ganapathi** Managing Director DIN: 07954560
	Sathyamurthy A Chief Financial Officer	**Shrithee MS** Company Secretary Membership No: A56563
Place: Bengaluru **Date:** May 14, 2021	**Place:** Bengaluru **Date:** May 14, 2021	**Place:** Bengaluru **Date:** May 14, 2021

GOKALDAS EXPORTS LTD

#25, 2nd Cross, 3rd Main,
Industrial Suburb, Yeshwanthpur,
Bangalore – 560 022
Karnataka, India

The Investment Lab The Investment Lab product