REF: HSL/SEC/2024/60

September 05, 2024

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

Dear Sir/Madam,

Sub: 39th Annual Report 2023-24

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

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of 39th Annual Report of the Company for the financial year ended March 31, 2024.

This is for your information & records.

Thanking you,

Yours faithfully,

For Himatsingka Seide Limited

Bindu D Digitally signed by Bindu D Date: 2024.09.06 00:00:31 +05'30'

Bindu D.
Company Secretary & Compliance Officer
M.N. A23290

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


Himatsingka
INDIA
RISING
ANNUAL REPORT 2024

Himatsingka is committed to weaving its growth story alongside India Rising.

Over the last decade, we have built formidable manufacturing capabilities for the global market, supported and owned leading global brands, and consolidated our global reach. Now, the time has come to harness our global experience and expertise for India. With three high octane brands and 10,000 strong team of associates, we are ready to fulfil the aspiration of a billion people on the rise.

INDIA RISING

India's GDP	5,000,000,000	by FY 28
Integrated Sheeting Capacity	61,000,000	metres per annum
Integrated Spinning Capacity	211,584	spindles (world's largest cotton spinning plant under one roof)
Integrated Terry Towel Capacity	25,000	tonnes per annum
Targeted Points of Sale	20,000	in 3 years
Number of Products (approx)	320	for every corner of your home
Reach	29	states across India
Brands	3	to serve every Indian Himeya, Liv and Atmosphere
Company	1	Himatsingka

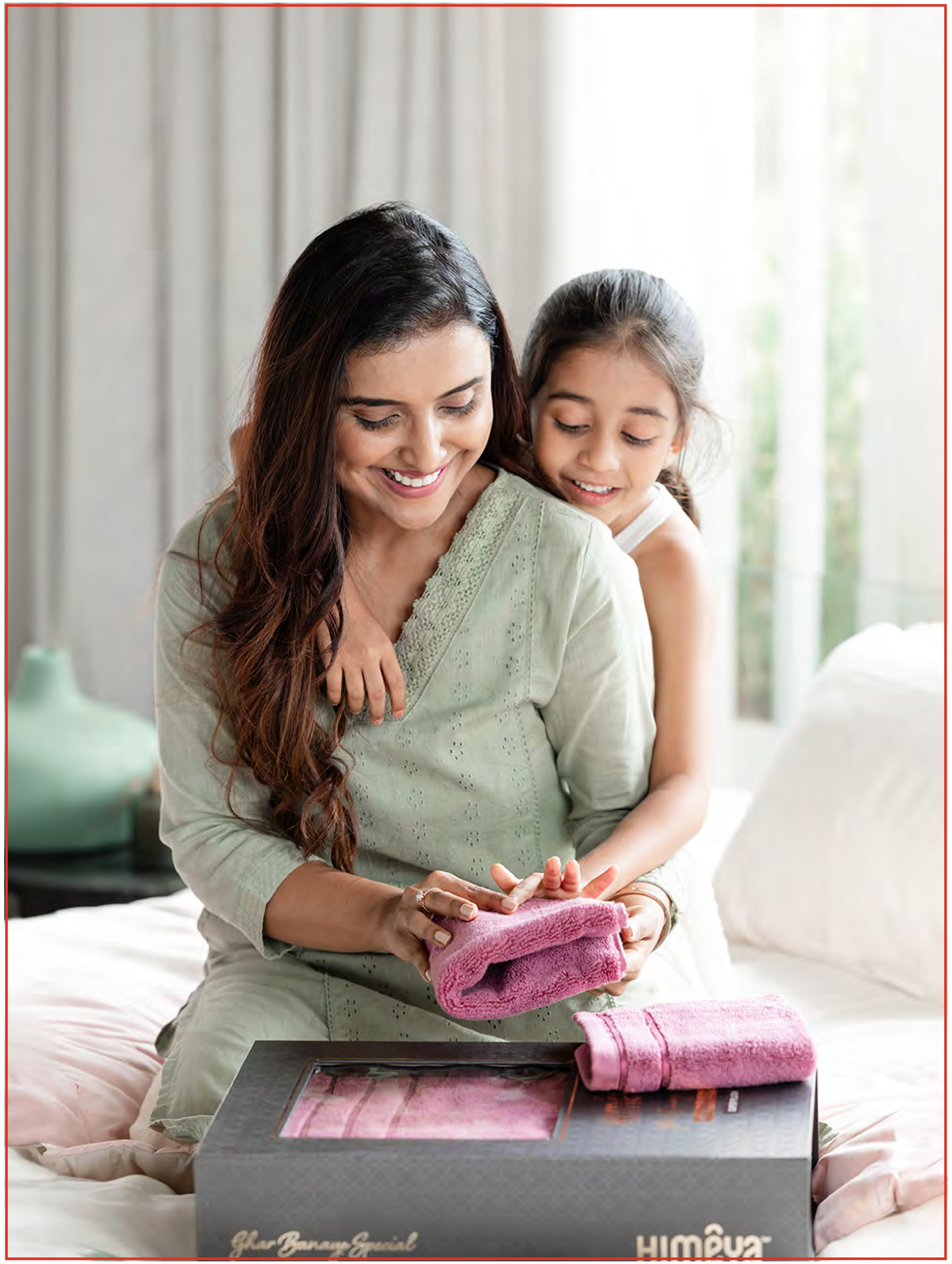
Himatsingka

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

Contents


Across the length and breadth of India,


And in every corner of your home,
our products Make Better Lives Possible.



OUR PURPOSE

Making Better Lives Possible

THE HIMATSINGKA WAY

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

OUR VISION

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

OUR VALUES

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

About Himatsingka

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

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

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

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

We have amongst the largest Portfolios in the Home Textile space:
8 Global Brands

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

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

This is India's decade

Strong economic and demographic fundamentals are propelling India towards transformative growth.

- World's fifth-largest economy, projected to become the third-largest by 2027
- GDP slated to more than double from USD 3.5 trillion today to USD 7.5 trillion by 2031
- Population, at over 1.4 billion, has outstripped China's to become the largest in the world
- At 28 years old, the population's median age is a decade less than in the US, while its share of working age population sits at 67%, higher than China or Brazil

www.macquarie.com/au/en/insights/all-eyes-turn-to-the-india-decade.html#footnote-6
www.morganstanley.com
www.pewresearch.org

The aspirations of a billion

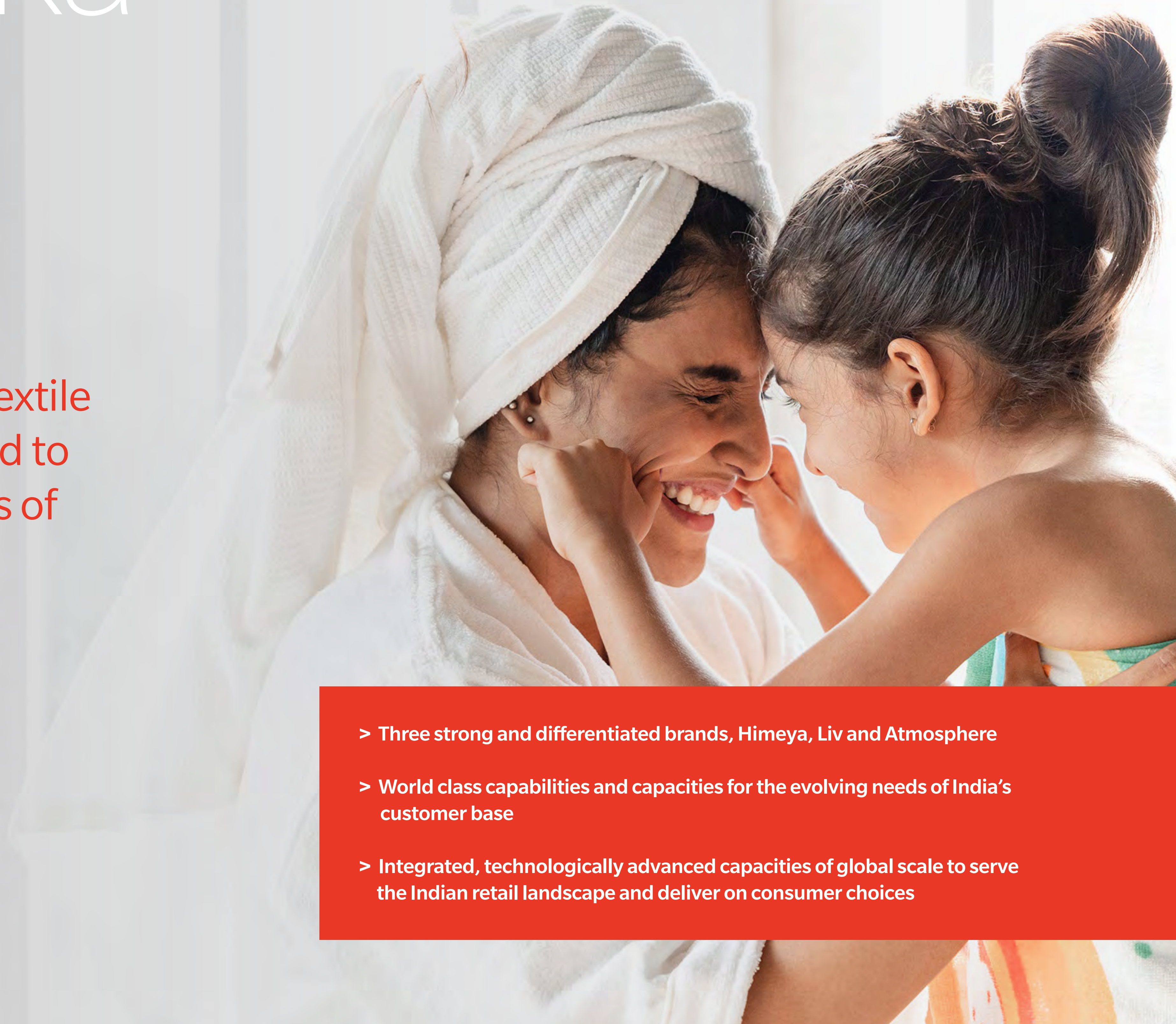
Young, globally exposed and digitally enabled, India's surging middle class has the ambition and spending power to exponentially grow the Indian home textile market.

- The Indian Domestic Textile and Apparel Market has grown from USD 50 billion in 2010-11 to USD 138 billion in 2023-24, registering a CAGR of 8%
- As of 2023, the household segment occupies a major share of end-use demand for home textiles
- The Indian Home Textile Industry has grown at a CAGR of 5.4% in value terms between 2019 and 2024
- India's per capita income rose from INR 63,462 in 2012 to INR 106,744 in 2023
- Rising disposable income and enhanced tech-driven access to global trends and cultures are driving Indians to elevate their lifestyles and transform their homes with high quality, branded home textile products
- The digitizing of money and robust e-commerce platforms are making online purchases faster and more convenient from virtually anywhere

www.fnfresearch.com
Wazir Advisors
Crisil MI&A

Himatsingka is ready to deliver

Leveraging 38-years of global home textile experience, we are strongly positioned to fulfil the total bedding and bath needs of every Indian.



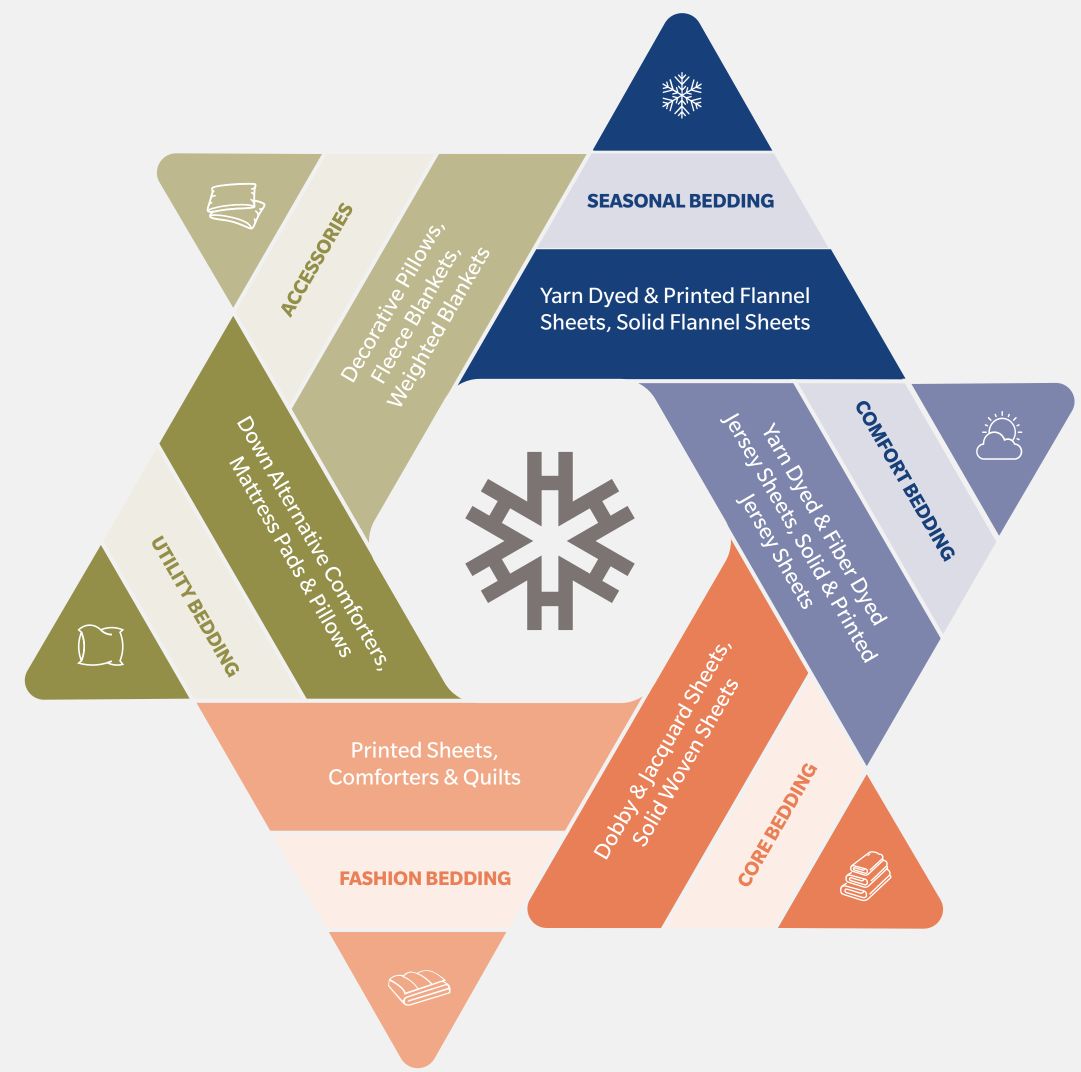
- Three strong and differentiated brands, Himeya, Liv and Atmosphere
- World class capabilities and capacities for the evolving needs of India's customer base
- Integrated, technologically advanced capacities of global scale to serve the Indian retail landscape and deliver on consumer choices

HIMĒYA® Liv™ atmosphere®

An impressive portfolio of high quality bedding products.

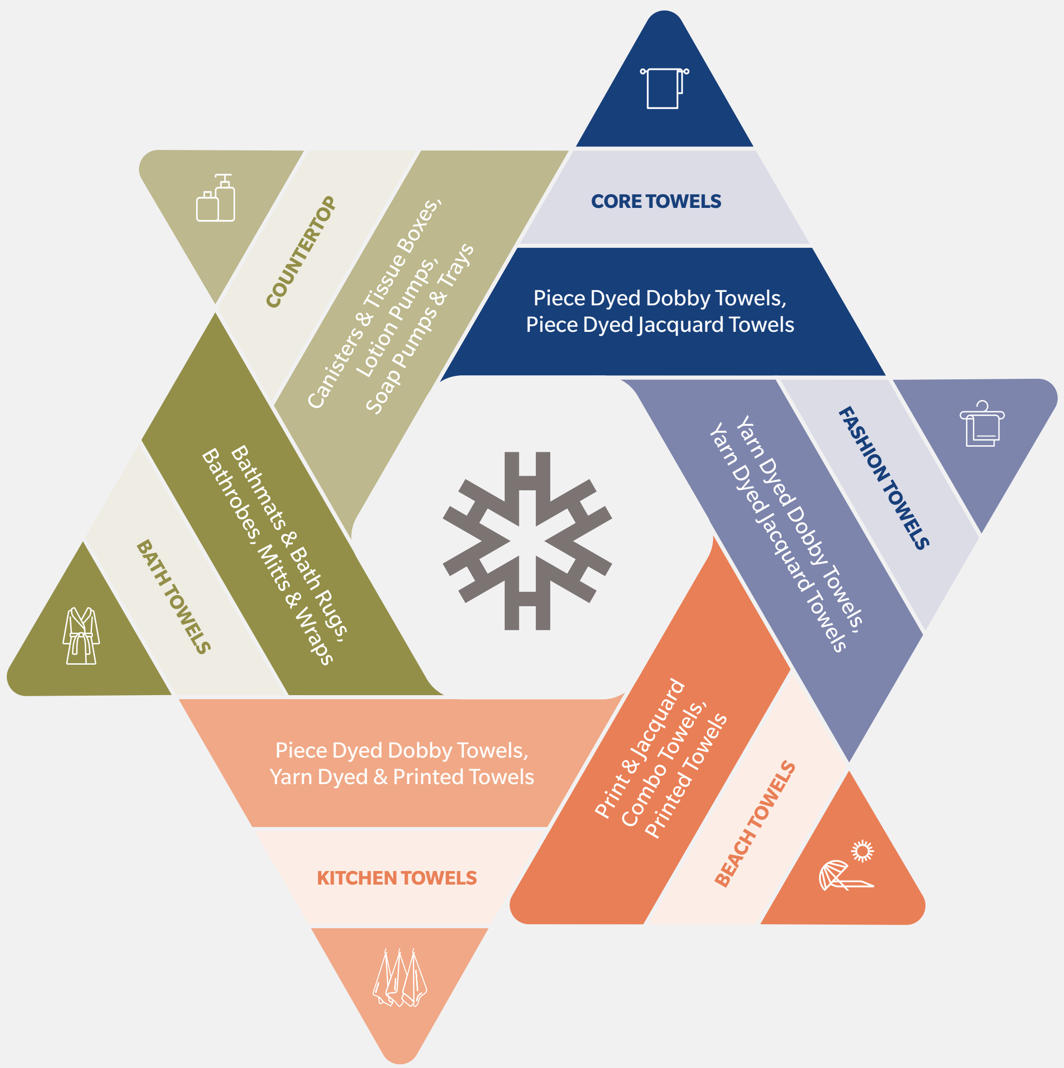
TOTAL BEDDING SOLUTIONS

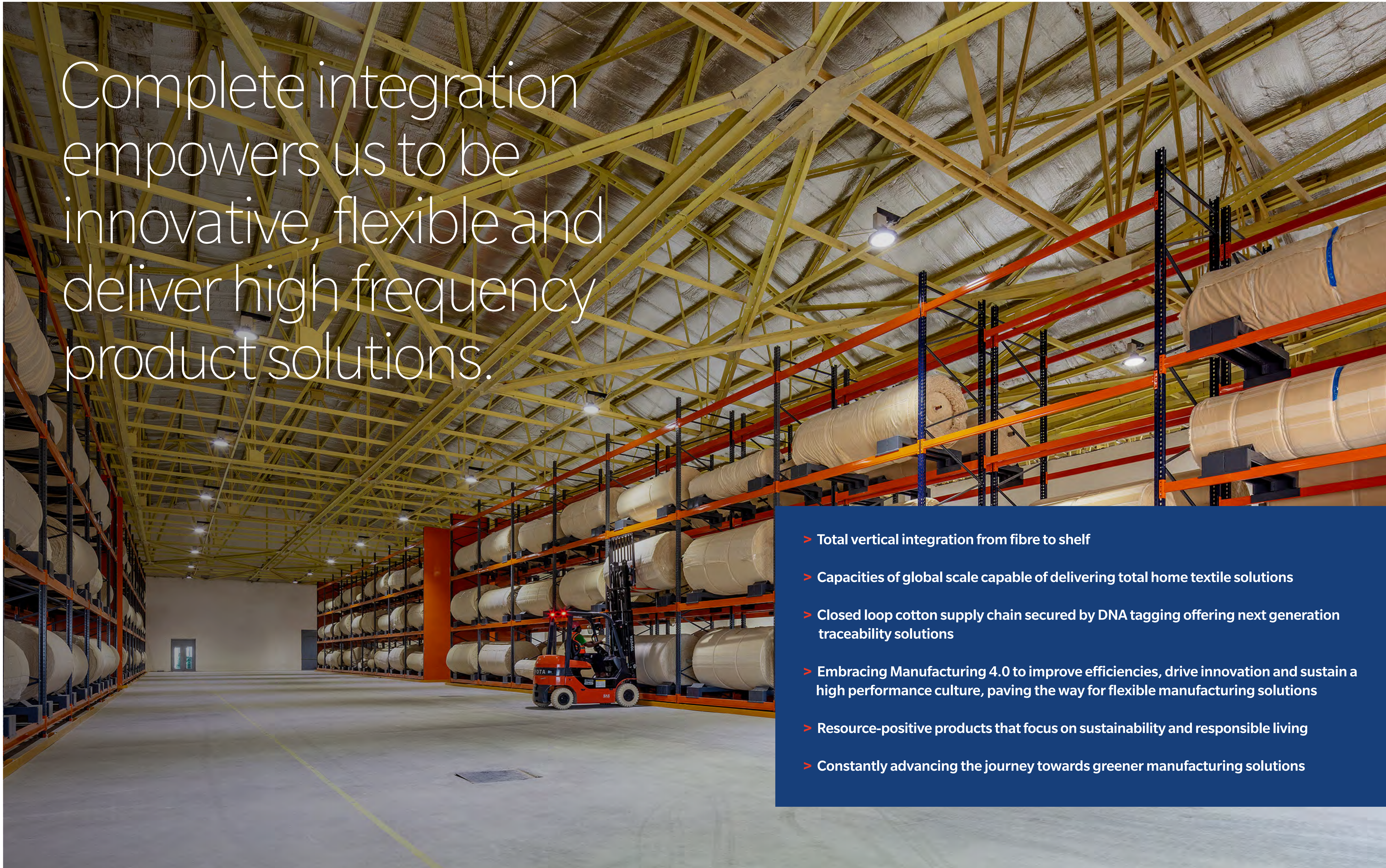
100% COTTON | RECYCLED COTTON | RECYCLED POLYESTER | COTTON & OTHER BLENDS | 100% TRACEABLE COTTON



TOTAL BATH SOLUTIONS

100% COTTON | CVC INTIMATE | CVC CROSS-WEAVE | COTTON & OTHER BLENDS | 100% MODAL

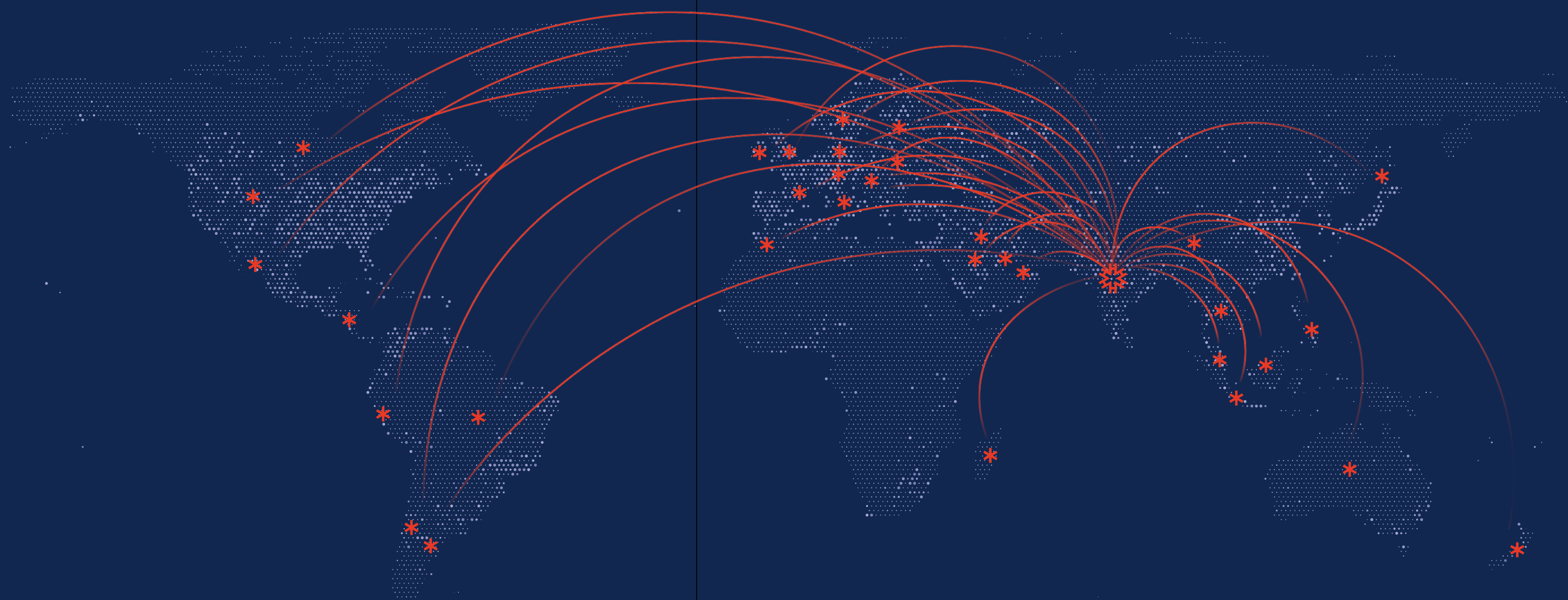




Complete integration empowers us to be innovative, flexible and deliver high frequency product solutions.

- Total vertical integration from fibre to shelf
- Capacities of global scale capable of delivering total home textile solutions
- Closed loop cotton supply chain secured by DNA tagging offering next generation traceability solutions
- Embracing Manufacturing 4.0 to improve efficiencies, drive innovation and sustain a high performance culture, paving the way for flexible manufacturing solutions
- Resource-positive products that focus on sustainability and responsible living
- Constantly advancing the journey towards greener manufacturing solutions

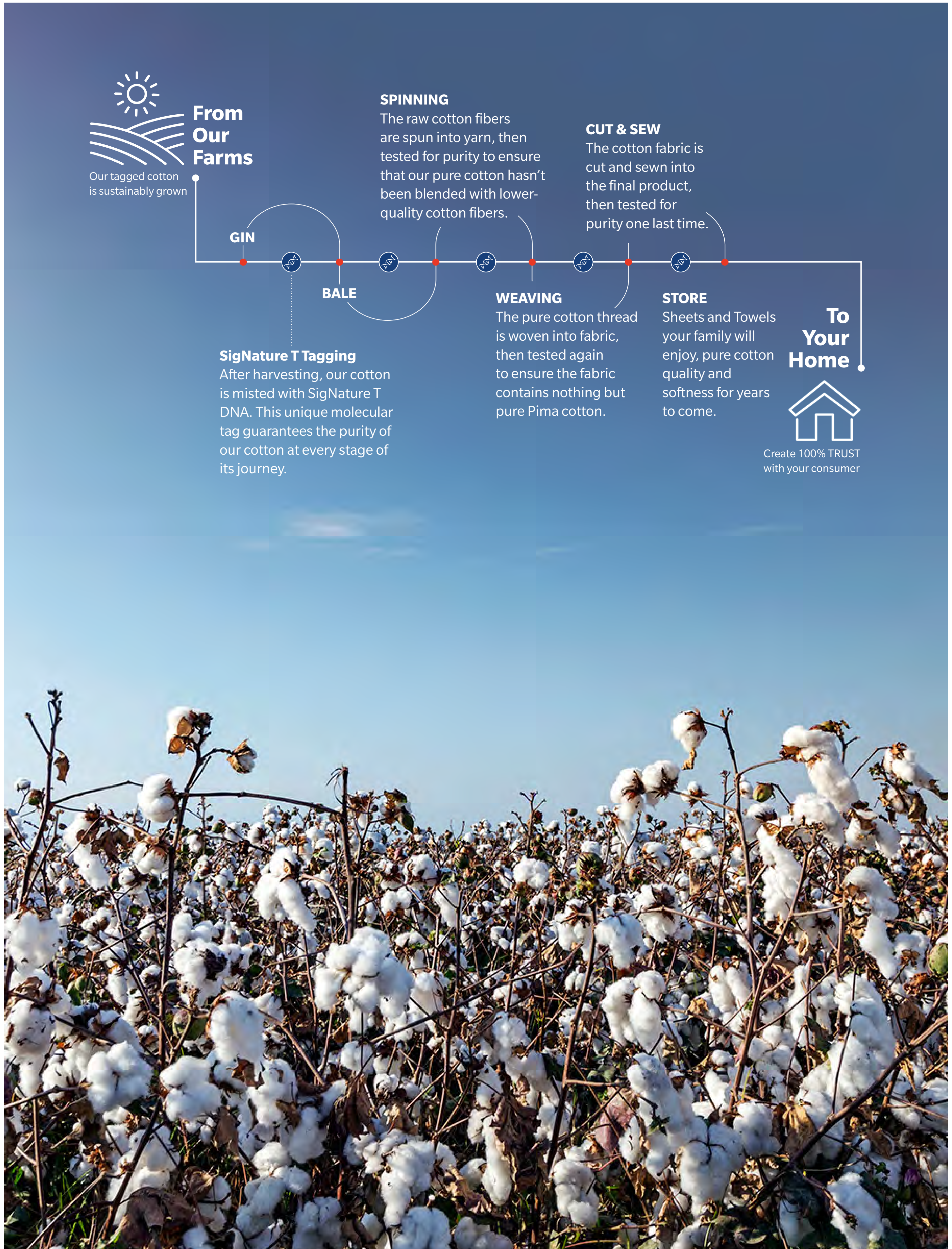
From India to the world



Himatsingka continues to consolidate its presence in the global private label space and grow its robust client networks in key markets.

SERVING IN 35 COUNTRIES:

USA	Peru	Denmark	Mauritius	Qatar	China
Canada	France	UAE	Italy	Singapore	Latvia
Mexico	Germany	Saudi Arabia	Switzerland	Malaysia	Morocco
Chile	UK	Japan	Ireland	Indonesia	Australia
Brazil	Sweden	New Zealand	Poland	Philippines	Central America
Argentina	Finland	India	Kuwait	Thailand	



We enhance the lives of billions around the world, across age groups, needs, lifestyles and aesthetic preferences. Our expansive portfolio includes products that celebrate convenience and everyday comfort, while also offering complete traceability and best-in-class functional attributes.

We are committed to People and Planet

Himatsingka is deeply committed to fostering a more inclusive, fair and sustainable world. Closely aligning our business strategies with our ESG goals, we are continuously refining our systems to ensure accountability and measurable impact.

Environment

Environmental protection is of highest priority to us. We seize every opportunity to operate as a more responsible, green and sustainable global enterprise.

FOCUS AREAS

No to Coal Usage
0% by 2030
100% Renewable Energy by 2025

Reduced CO2 Emissions
- 63,525 MT
Carbon Neutral by 2035

Waste Saved & Repurposed
- 462 MT

Water Recovery
99.5%

Reduced Annual Energy Footprint
1.8%

SUSTAINABILITY GOALS

- Carbon neutral by 2030
- 100% renewable energy by 2030
- All manufacturing facilities to be ZWL
- Operate Zero Liquid Discharge (ZLD) water management plants across manufacturing facilities

Social

We are committed to a workplace that is diverse, inclusive and grounded in respect and trust. In parallel, we actively work with local communities to improve education, healthcare, infrastructure development and social welfare.

AT WORK

- Creating a collaborative, innovative and equitable work culture
- Focus on growth and development through continuous training and upskilling at The Himatsingka Learning Academy
- Prioritisation of employee health and safety through regular health camps, especially in sensitive manufacturing areas
- Achieved industry-leading health and safety metrics in 2022, with some of the lowest recorded injury and accident rates

AROUND US

- **Supporting communities in and around** our manufacturing facilities **through** social upliftment projects
- Implementing education, healthcare and social upliftment initiatives, including solar power for classrooms, adopting and supporting community schools, enhancing community infrastructure, like public area infrastructure and sanitation infrastructure
- Contributing to the enhancement of urban healthcare infrastructure by partnering an institution to build a Centre for Care, Training and Research in Aging and Geriatics
- Supporting rural woman empowerment by providing centers for training and skill development

Governance

We uphold robust corporate governance practices to ensure accountability, safeguard shareholder interests and guide our long term strategic vision.

- Maintain rigorous practices and policies to ensure accountability at both the Board and management levels
- Our dynamic and independent Board continues to oversee management, managing risk and shaping strategic direction
- We demand and deliver the highest standards of ethical conduct across all our operations
- Comprehensive training programmes ensure our teams are well equipped to meet governance standards
- Robust systems in place for continuous internal monitoring and auditing to achieve our governance goals

1
World class assets with global scale

2
Complete home textiles solutions

3
Global brand connect

4
Leader in cotton traceability solutions

5
Creating sustainable platforms

6
Leveraging technology, integration and scale to enhance response time

7
Creating product solutions, driving consumer choices, stimulating demand

8
Collective strength of over 10,000 associates

9
Looking at challenges from the lens of opportunity

10
Learning from crisis — using it to reinvent and reset ourselves

Performance Highlights

Business Highlights — FY 24

Strong additions of new clients bolstering total client base

Forayed into the Indian market for bedding and bath solutions – operate with three brands across price points

Continued to make progress on environment and sustainability goals

Received Silver Award from TEXPROCIL (Cotton Textiles Export Promotion Council) in bed linen and terry towel categories

Achieved certification from Great Place to Work® Institute

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

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

Maintained leadership in cotton traceability solutions

Expanded home textile solutions by introducing new product categories

Key Focus Areas — FY 24

- Streamlining working capital cycles
- Expanding domestic India focus
- Enhancing product, client and geography mix to broad base revenue streams
- Driving product innovation
- Augmenting talent
- Increasing manufacturing capacity utilization
- Advancing ESG initiatives
- Expanding e-commerce capabilities
- Remaining focused on de-leveraging initiatives

Consolidated Financial Highlights — 5 Years

(₹ Lacs)

	2019–20	2020–21	2021–22	2022–23	2023–24
Share Capital	4,923	4,923	4,923	4,923	4,923
Reserves	1,31,078	1,26,599	1,42,048	1,39,979	1,50,972
Net Worth	1,36,001	1,31,522	1,46,971	1,44,901	1,55,895
Total Gross Debt	2,96,275	2,59,315	2,92,170	2,80,603	2,89,785
Total Net Debt	2,73,851	2,44,870	2,73,565	2,68,324	2,73,272
Gross Fixed Assets	3,84,680	4,02,886	4,08,029	4,09,460	4,12,902
Net Fixed Assets	2,70,908	2,73,930	2,63,494	2,49,573	2,36,893
Total Assets	5,27,179	5,10,757	5,64,363	5,53,419	5,79,451
Total Revenue	2,41,965	2,27,252	3,20,357	2,75,276	2,86,258
EBITDA	47,931	30,316	54,992	34,604	61,733
Depreciation	12,621	15,245	15,842	16,403	15,810
EBIT	35,310	15,071	39,150	18,201	45,923
Interest and Finance Charges	19,472	17,720	18,117	25,723	29,647
Profit Before Tax, Before Exceptional Items	15,838	-2,649	21,033	-7,523	16,276
Exceptional Items	7,321	-	-	-	-
Profit Before Tax	8,517	-2,649	21,033	-7,523	16,276
Profit After Tax	1,325	-5,335	14,082	-6,408	11,282
Adjusted Profit for Diluted Earnings Per Share	1,325	-5,335	14,082	-6,408	11,545
No. of Equity Shares (In Lakhs)	984.57	984.57	984.57	984.57	984.57
Adjusted No. of Equity Shares (In Lakhs)	984.57	984.57	984.57	984.57	1,046.77
Face Value Per Share (₹)	5.00	5.00	5.00	5.00	5.00
Book Value Per Share (₹)	138.13	133.58	149.27	147.17	158.34
Earnings Per Share (₹)	1.35	-5.42	14.30	-6.51	11.46
Diluted Earnings Per Share (₹)	1.35	-5.42	14.30	-6.51	11.03
Dividend Per Share (₹)	0.50	0.50	0.50	-	0.25
Total Dividend (₹ Lakhs)	492	492	492	-	246

Letter to Shareholders & Corporate Information

Dear Shareholders,

Overview

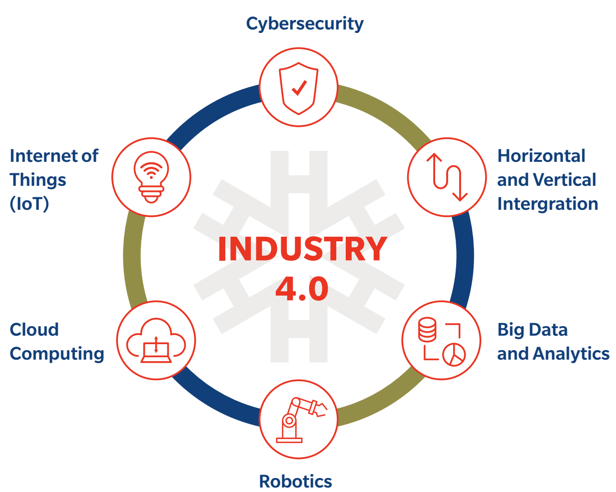
At the outset, fiscal 2024 has been both rewarding and challenging. While we have made progress in consolidating our operations, we also faced headwinds on several fronts. Global macro-economic challenges and disrupted supply chains continued to impact economic stability and recovery across most major markets.

As we reflect on the challenges and triumphs of FY 24, it is evident that the global economic landscape has continued to evolve rapidly. The year was marked by geopolitical uncertainties and a volatile demand environment. Despite these head-winds, Himatsingka has demonstrated resilience and adaptability. Our team's unwavering commitment, coupled with our strong business fundamentals, has enabled us to navigate the dynamic movements across markets.

We continue to be optimistic about our prospects as the gradual normalisation of demand and easing raw material prices provide a favourable backdrop for our growth. Himatsingka is well-positioned to capitalise on emerging opportunities, leveraging our integrated manufacturing capabilities, robust intellectual property portfolio, and industry-leading innovation pipeline.

Manufacturing Platforms

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



On the manufacturing front, FY 24 saw us increase capacity utilisations across our plants. We are pleased to share that all our facilities have clocked a strong performance during the fiscal. Our new terry towel facility commissioned during FY 20, continues to witness increased capacity utilisation levels, paving the way for us to offer home textiles solutions with much broader and deeper product capabilities.

Our Private Label and Brand Platforms

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

Our cotton brand portfolio comprising of Pimacott®, Gizacott®, HomeGrown Cotton® and Organicott® continues to cement its position in the traceable cotton space. Our patent-protected Track & Trace Technology for cotton products continues to be industry-leading and helps us keep our global cotton supply chains transparent and secure. Our strong retail portfolio comprising Himeya, Atmosphere, Liv, Bellora, Tommy Hilfiger, and Highland Park (amongst others) is positioned to continue to grow and garner market share in the jurisdictions they are present in.

The growing demand for home textile products in India is an area of focus for us, and it will be our endeavour to position ourselves to achieve 1000 crores of revenues from India over the next 5 years. We currently operate in India with 4 brands and are positioned to reach consumers across retail formats, price points, and product categories. Growing our market presence in India will ensure broad basing of revenue streams and will pave the way for value creation, driven by our firm B2C brands.

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

Himatsingka's strengths in the private label space also continue to gain traction as we deepen our relationships with global retail majors and their private label platforms. Our suite of over 8 brands and strong private label portfolios, backed by advanced manufacturing platforms, will generate differentiated, solutions-based responses to the dynamic and ever-changing macrocosm of consumer preferences.

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

Our Operating Scorecard

Our operating performance for FY 24 saw business improvement across parameters. During the fiscal, total Consolidated Revenues grew by 4.00% year-on-year and stood at ₹2,862.58 crores vs ₹2,752.76 crores in FY 23. The Consolidated EBITDA for FY 24 stood at ₹617.33 crores vs. ₹346.04 crores in FY 23, an increase of 78.40%.

Our improved Consolidated EBITDA was driven by the softening of raw material prices year-on-year, a stable demand environment, enhanced capacity utilisation levels, and softening of supply chain costs.

Priorities for FY 25

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

Our home textile solutions vertical is powered by integrated manufacturing facilities that are amongst the largest in the world. They address clients across 35 countries and are designed to cater to multiple retail formats and channels. It is, therefore, imperative that we continue our efforts to expand and deepen our geographical presence, whilst adding new clients, in order to de-risk and broad base global revenue streams.

Our operating performance is positively correlated with our ability to enhance capacity utilisation levels across our plants, and therefore, we will be focused on achieving the same. Our focus on increasing utilisation will coincide with our efforts to create new markets, clients, and channels for our products. With the addition of bath products to our home textiles solutions portfolio, we are better positioned to augment our global client base, which will enable us to de-risk and broad base our global revenue streams.

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

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

De-leveraging our balance sheet, while maximising operating performance will be an important theme for FY 25 and beyond. While our consolidated net debt has been range-bound in FY 24, we will endeavour to continue to reduce our debt exposure during FY 25. In tandem with capital structure optimisation, we also aim to improve our capital efficiency ratios for FY 25.

As a dominant player in the global home textiles space, we aim to stay relevant by showcasing best-in-class innovation, industry-leading flexibility, and developing global client networks. These facets and capabilities are driven by our investments in infrastructure, technology, and intellectual capital.

With over 10,000 associates, we continue to enrich our intellectual capital base to support our growth The Himatsingka Way — where courage and imagination go hand-in-hand in the perennial pursuit of perfection.

The Road Ahead

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

Our Gratitude to Stakeholders

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

Sincerely,

Shrikant Himatsingka
Executive Vice Chairman
& Managing Director

Dinesh Himatsingka
Executive Chairman

Corporate Information

Board of Directors

D.K. Himatsingka
Executive Chairman

Shrikant Himatsingka
Executive Vice Chairman & Managing Director

S. Shanmuga Sundaram
Executive Director

Harminder Sahni
Non-Executive Independent Director

Sandhya Vasudevan
Non-Executive Independent Director

Shyam Powar
Non-Executive Independent Director

Ravi Kumar
Non-Executive Independent Director

Manish Joshi
Non-Executive Nominee Director

Management Team

Akanksha Himatsingka
CEO — Home Textile Solutions

M. Sankaranarayanan
President — Finance & Group CFO

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

Manu Kapur
President — Business Development (Group)

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

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

Company Secretary

Bindu D.
AGM — Corporate Compliance & Company Secretary

Key Bankers

Axis Bank Limited
Bank of Bahrain and Kuwait
Bank of India
Bank of Maharashtra
Canara Bank
DCB Bank Limited
Export Import Bank of India
HDFC Bank Limited
IDBI Bank Limited
International Finance Corporation, Washington, D.C
IndusInd Bank Limited
Karur Vysya Bank
SBM Bank (India) Limited
State Bank of India
Yes Bank Limited

Statutory Auditors

MSKA & Associates, Chartered Accountants (BDO Group)

Internal Auditors

Grant Thornton India LLP

Secretarial Auditor

Vivek Manjunath Bhat, Practicing Company Secretary

Registered Office

10/24, Kumara Krupa Road
High Grounds
Bengaluru - 560001
CIN: L17112KA1985PLC006647

Works

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

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

Management Discussion & Analysis

Management Discussion & Analysis

OUTLOOK

We remain focused on strengthening our global market footprint to enhance capacity utilisation levels and broad base our revenue streams. While North America is our largest market, we have consistently increased and are working towards strengthening our market share in the United Kingdom, Europe, Middle East and Africa (EMEA), India and other Asia-Pacific (APAC) regions. For the last five years, we have been focused on expanding international client networks and global reach. However, while we continue to focus on our global presence, we will prioritize ramping up our presence in the Indian market as well. We believe India is a major market for our products and is capable of contributing a significant share of our total revenue, going forward. The global market for home textiles is expected to have a robust growth, driven by rapid urbanisation, increasing disposable incomes, and changing consumer lifestyles.

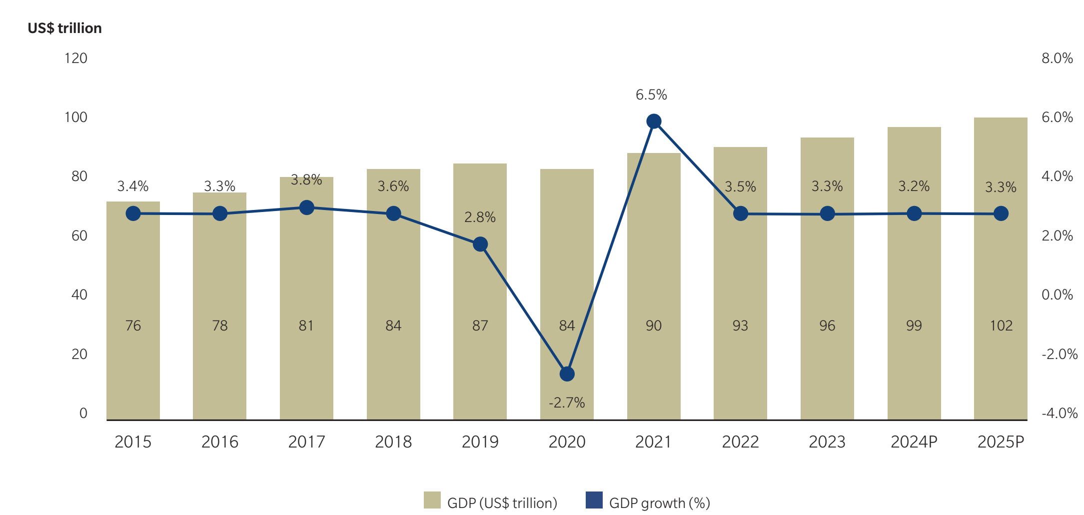
GLOBAL ECONOMIC OVERVIEW

Global GDP estimated to grow at 3.2% and 3.3% in CY2024 and CY2025 respectively, amid moderating inflation and steady growth in key economies

As per the International Monetary Fund's (IMF) July 2024 update, global Gross Domestic Product (GDP) growth is estimated at 3.3% for 2023 and projected to grow at 3.2% and 3.3% during 2024 and 2025 respectively. The latest estimate for 2024 remains the same as the IMF's previous forecast in April 2024. However, there is a slight shift in dynamics with growth in advanced economies expected to converge in coming quarters, set off by growth in emerging markets and developing economies (revised upward); and is supported by economic activity in Asia, particularly China and India.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. Amid favourable global supply developments, inflation has been falling faster than expected. On the upside, faster disinflation could lead to further easing of financial conditions. On the downside, new commodity price spikes from geopolitical shocks, and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions.

Global GDP trend and outlook (2015–2025P, US$ trillion)



Note: E: Estimated, P: Projected
Source: IMF economic database, CRISIL MI&A

India among the world's fastest-growing large economies

India was one of the fastest-growing economies in CY2018 and CY2019. In CY2020, the GDP of most countries, including developed ones such as the US and the UK, except China, contracted due to the pandemic. India's GDP shrank 5.8% in CY2020 (fiscal 2021). In CY2021, the GDP growth of all major economies rebounded as economic activity resumed due to the low base of CY2020. Among major economies, India, with a growth rate of ~9.7%, was the fastest growing in CY2021 (fiscal 2022), followed by China at 8.5%. The country also overtook the UK as the fifth-largest economy in the world in the April–June quarter of CY2022 and registered a GDP growth of 7.8% in CY2022 (fiscal 2023). Moving forward, India's GDP is projected to grow at 7.0% and 6.5% in CY2023 (fiscal 2024) and CY2024 (fiscal 2025) respectively. Additionally, India is expected to grow faster than China as well as the global average in CY2024 (fiscal 2025).

Real GDP growth by geographies

Regions	CY2018	CY2019	CY2020	CY2021	CY2022E	CY2023E	CY2024P	CY2025P
US	3.0	2.5	-2.2	5.8	1.9	2.5	2.6	1.9
Euro area	1.8	1.6	-6.1	5.9	3.4	0.5	0.9	1.5
UK	1.4	1.6	-10.4	8.7	4.3	0.1	0.7	1.5
China	6.8	6.0	2.2	8.5	3.0	5.2	5.0	4.5
India*	6.5	3.9	-5.8	9.7	7.0	8.2	7.0	6.5
Advanced economies	2.3	1.8	-3.9	5.7	2.6	1.7	1.7	1.8
Emerging market and developing economies	4.7	3.6	-1.8	7.0	4.1	4.4	4.3	4.3
World	3.6	2.8	-2.7	6.5	3.5	3.3	3.2	3.3

Note: E: Estimated, P: Projected, as per the IMF update
*Numbers for India are for financial year (2020 is fiscal 2021 and so on) and as per the IMF's October 2023 World Economic Outlook. CRISIL's GDP forecast for India: 6.8% in fiscal 2025; As estimates of National Income from MoSPI, India GDP growth: 9.8% in fiscal 2022, 7.0% in fiscal 2023 and 8.2% in fiscal 2024
Source: IMF economic database; World Bank national accounts data; OECD national accounts data; CRISIL MI&A

India's per capita GDP has been growing faster than the global average

Global GDP per capita clocked a compounded annual growth rate (CAGR) of 3.1% between CY2018 and CY2023, as per data from the International Monetary Fund. India's per capita GDP registered a CAGR of 5.8% between CY2018 (fiscal 2019) and CY2023 (fiscal 2024).

GDP per capita, current prices (US$)

Regions	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023E	CY2024P	CY2025P	CAGR (CY2018–2023E)
Canada	46,618	46,431	43,573	52,521	55,613	53,548	54,866	57,021	4.11%
China	9,849	10,170	10,525	12,572	12,643	12,514	13,136	14,037	7.34%
Euro area	39,866	39,014	37,938	42,587	41,062	44,463	45,826	47,322	3.49%
India	1,974	2,050	1,916	2,250	2,366	2,500	2,731	2,984	8.61%
Japan	39,850	40,548	40,172	40,114	34,005	33,806	33,138	34,922	-2.61%
UK	43,275	42,713	40,246	46,704	45,730	49,099	51,075	53,627	4.38%
US	63,165	65,505	64,367	70,996	77,192	81,632	85,373	87,978	6.85%
Advanced economies	48,191	48,481	47,476	52,853	53,562	56,243	58,258	60,382	4.61%
Emerging market and developing economies	5,366	5,417	5,152	5,982	6,326	6,432	6,703	7,030	5.55%
World	11,472	11,518	11,111	12,527	12,894	13,359	13,836	14,368	4.61%

Source: IMF; CRISIL MI&A

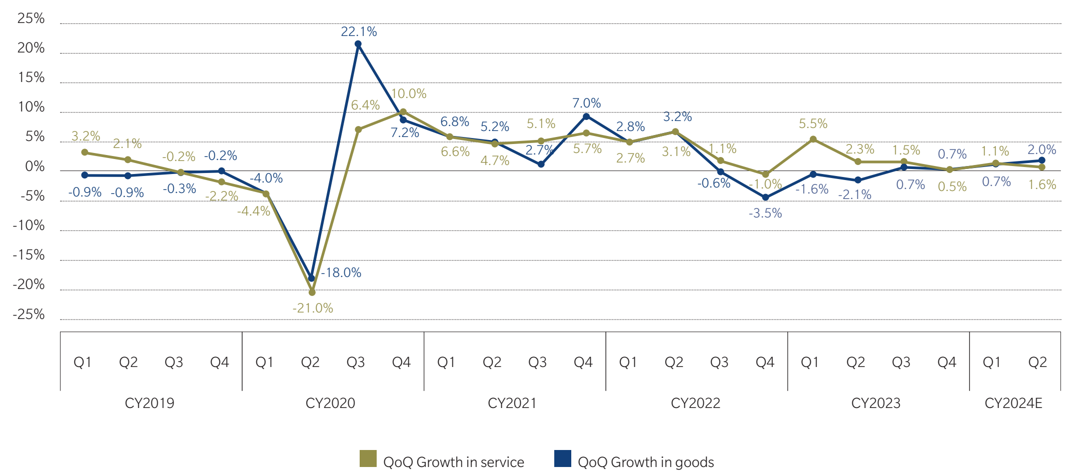
Global trade relatively flat in CY2023; likely to log moderate growth in CY2024

Global trade in CY2023 was affected by weak demand in developed countries, a fall in commodity prices and slow GDP growth in some developing nations, especially in East Asian economies. However, the first quarter of 2024 saw moderate and steady growth in global trade, building on the momentum from the latter half of 2023. The United States and developing countries, particularly the largest Asian economies, drove this growth with strong trade dynamics. Both merchandise and services trade saw quarter-over-quarter (QoQ) increases in Q1 2024.

Moderating global inflation and improving economic growth suggest a potential reversal of the downward macroeconomic trends that characterised most of CY2023. Growing demand for products related to energy transition and artificial intelligence is expected to support trade growth during CY2024. Additionally, any interest rate cuts in the United States later this year could lead to a weakening of the US dollar, providing a further boost to global trade.

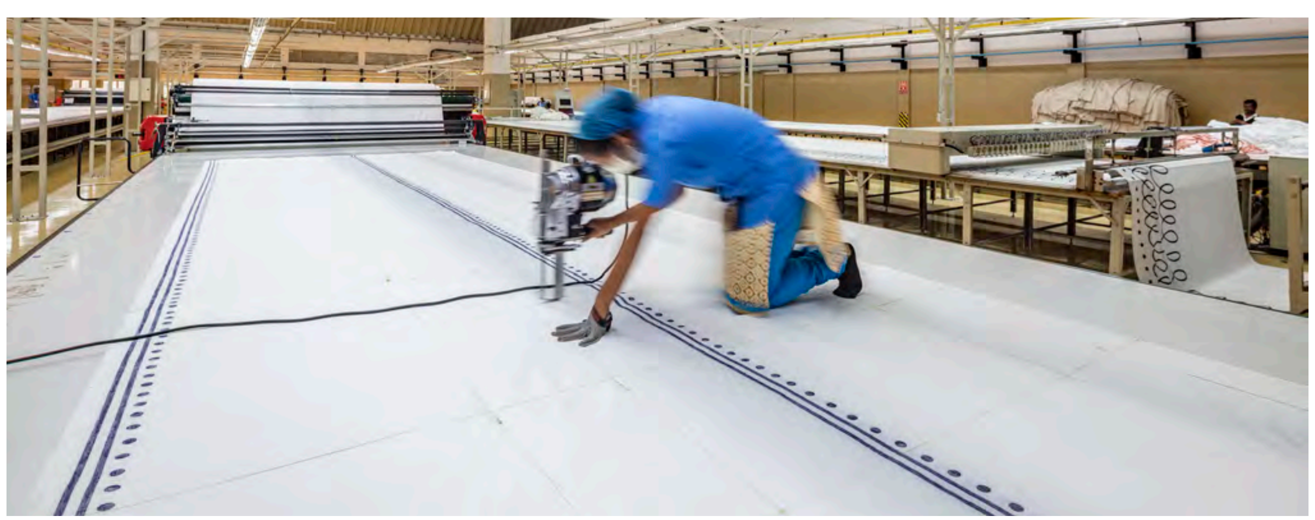
Having said that, rising geopolitical tensions and increasing shipping costs remain key factors to monitor, as they could impact the global trade scenario.

Global quarterly trade of goods and services



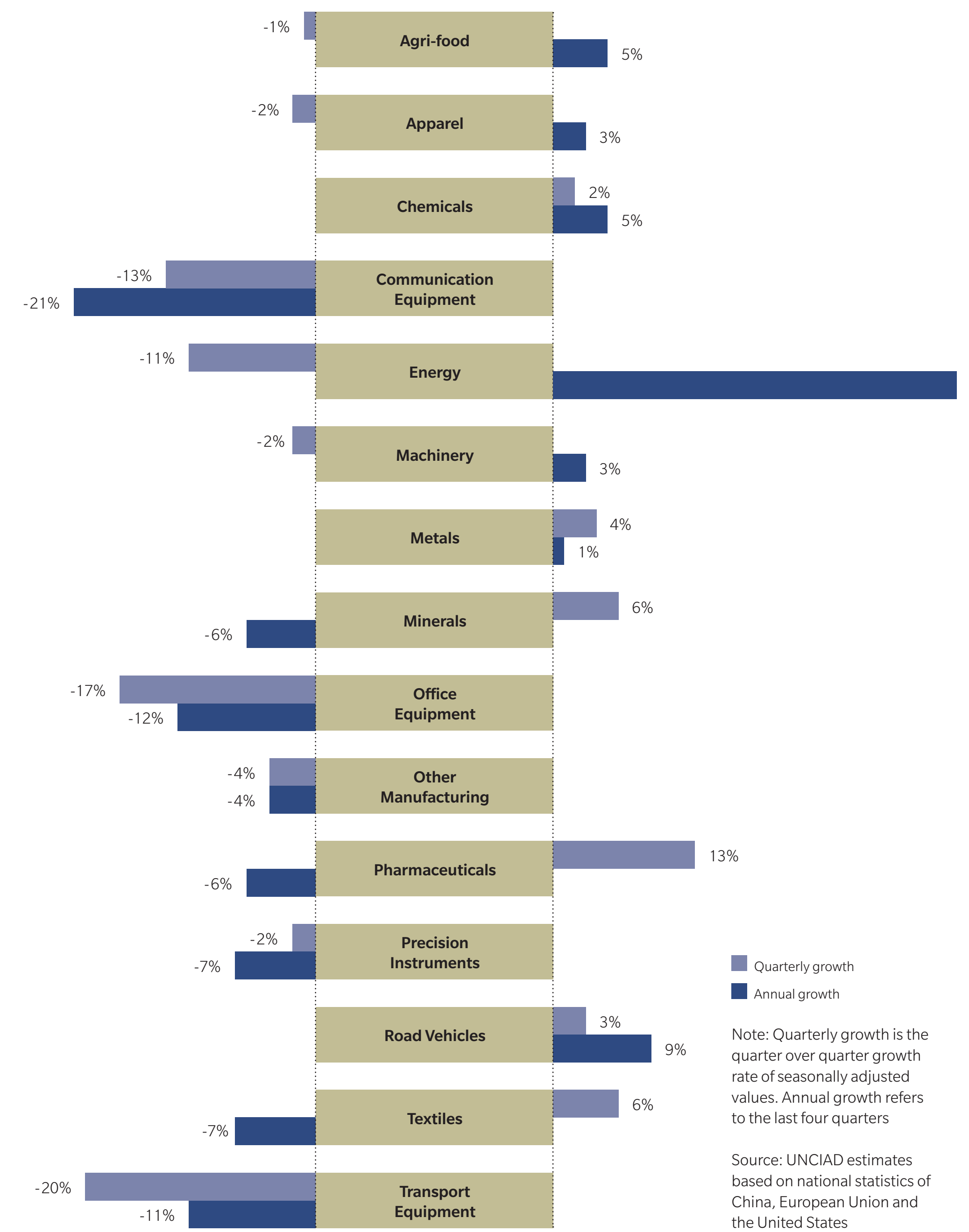
Note: E: Estimated

Source: World Trade Organization; UNCTAD Global Trade Update; CRISIL MI&A



Trends at the sectoral level

Most sectors experienced a rebound in Q1 2024. Notable exceptions were transport and communication equipment, where trade contracted. In contrast, quarterly increases were more pronounced for chemicals, pharmaceuticals, textiles, metals and minerals. On an annual basis, global trade remains negative for many sectors, except for machinery, precision instruments, pharmaceuticals, transportation equipment and road vehicles, with the latter experiencing a strong increase in the trade of electric cars, which continued to rise even in Q1 2024, by about 25%. The value of trade in the last four quarters was still significantly lower for the energy and apparel sectors. Notably, trade in the communication and office equipment sectors continued to slide during Q1 2024.



Note: Quarterly growth is the quarter over quarter growth rate of seasonally adjusted values. Annual growth refers to the last four quarters

Source: UNCIAD estimates based on national statistics of China, European Union and the United States

INDIAN ECONOMIC OVERVIEW

GDP registered a CAGR of 5.9% between fiscals 2012–2024

India's GDP grew at 5.9% (CAGR) between fiscal 2012 and fiscal 2024 to ₹174 trillion in fiscal 2024. The lower growth rate was largely because of challenges from the Covid-19 pandemic in fiscal 2020 and fiscal 2021. In fiscal 2022, with the pandemic abating, easing of restrictions, and a subsequent resumption in economic activity, the economy recovered.

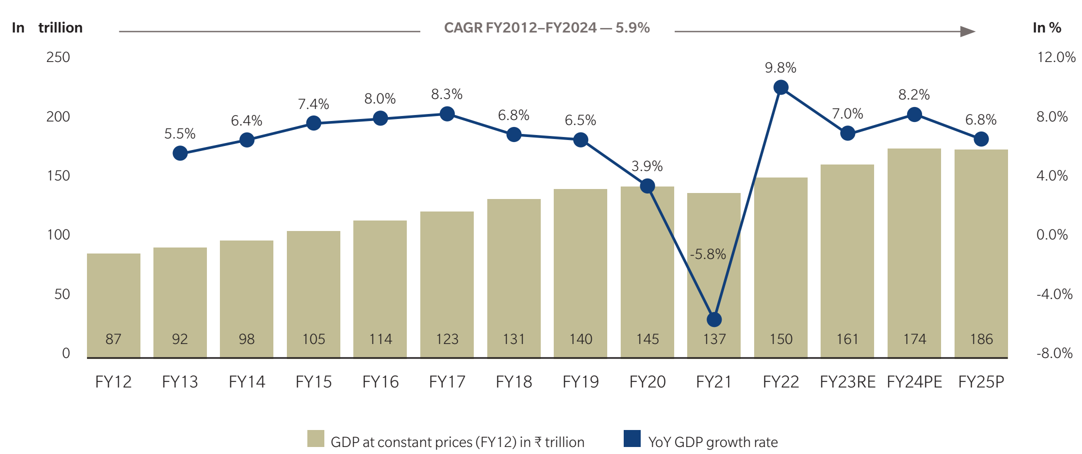
In fiscal 2023, GDP rose 7% on a continued strong growth momentum, propelled by investments and private consumption. The share of investments in GDP was at 33% and that of private consumption was at 58%.

The National Statistics Office (NSO) in its provisional estimates of annual Gross Domestic Product (GDP) for fiscal 2024, estimated India's real GDP growth to be 8.2%, higher than its Second Advanced Estimates (SAE) of 7.6%. Even as the agricultural economy slowed sharply following a weak monsoon, the surge in non-agricultural economy has more than made up for it. The government's investment push, along with easing input cost pressures for industry, has also played a major role in shoring up growth. However, services have been slowing owing to waning post-pandemic pent-up demand, with the exception of financial, real estate and professional services, which have powered ahead on the back of robust growth in banking and real estate sectors.

Analysis of the fiscal 2024 year's growth reveals notable dichotomies. Growth has primarily been fuelled by fixed investments, exhibiting a robust 9.0% expansion, while private consumption growth lagged at ~4%, trailing overall GDP growth. On the supply side, the manufacturing sector experienced the most substantial growth at ~9.9%, while agriculture exhibited a modest growth rate of 1.4%.

After a strong GDP print in the past three fiscals, CRISIL expects GDP growth to moderate in fiscal 2025, as fiscal consolidation will reduce the impulse to growth. Rising borrowing costs and increased regulatory measures could weigh on demand, net tax impact on GDP is expected to normalise, and exports could be impacted due to uneven growth in key trade partners and any escalation of the Red Sea crisis. On the other hand, another spell of normal monsoon and easing inflation could revive rural demand. At an overall level, India's real GDP is expected to be 6.8% in fiscal 2025.

Real GDP growth in India (new series) — constant prices



Note: RE: Revised Estimates; PE: Provision Estimates; P: Projected
Values are reported by the government under various stages of estimates
Actuals, estimates and projected data of GDP are provided in the bar graph
Source: Ministry of Statistics and Programme Implementation (MoSPI); CRISIL MI&A

Budget allocation to Ministry of Textiles increased by ~28% for fiscal 2025

The Government of India has increased the budget allocated to the Ministry of Textiles by ~28% in fiscal 2025 to ₹44 billion, compared to the revised allocated budget in fiscal 2024 of ₹34 billion. Out of ₹44 billion, the major components are of revenue, followed by capital expenditure. A few major schemes that will benefit from this budget include the Amended Technology Upgradation Fund Scheme (ATUFS) (~₹6 billion allocated), National Handloom Development Programme (~₹2 billion allocated), National Handicrafts Development Programme (NHDP) (~₹2 billion allocated), National Technical Textiles Mission (NTTM) (~₹4 billion allocated) and the Pradhan Mantri Mega Integrated Textile Region and Apparel (PM-MITRA) (~₹3 billion allocated).

Multiple government-led schemes will support growth of textile sector in India

The Government of India has announced multiple schemes to increase economies of scale, export potential and competitiveness in the textile sector. It has also introduced several schemes for the textile and apparel sectors including PM-MITRA, Production Linked Incentive Scheme (PLI), Kasturi Cotton Bharat, NTTM, ATUFS, and Scheme for Capacity Building in Textile Sector (SAMARTH). If implemented well, these will boost MMF-based RMG exports, and drive demand for MMF and yarn.

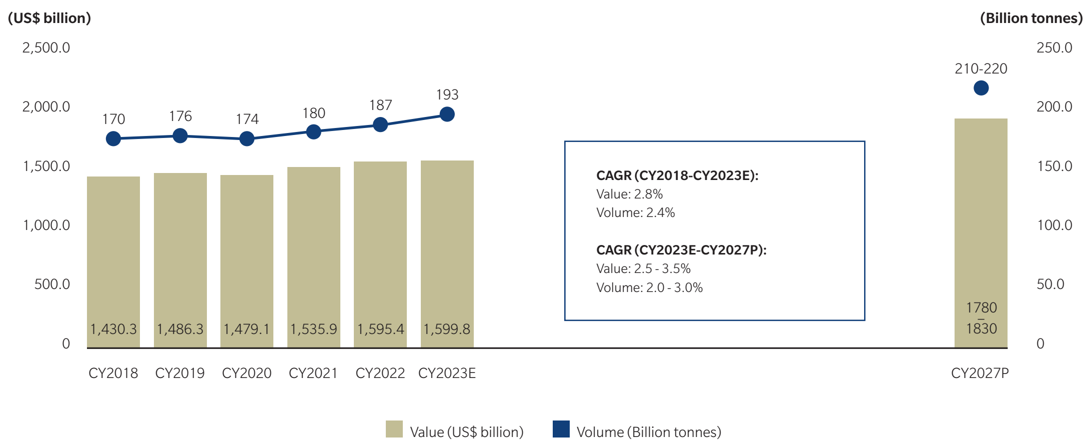
GLOBAL TEXTILE INDUSTRY

Global textile market expected to grow at 2.5–3.5% in CAGR between CY2023–CY2027

The global textile industry has grown consistently between CY2018 to CY2023, barring CY2020, which saw a decline due to Covid-19. Global trade restrictions due to disrupted supply chains and a decline in textile product consumption amid the imposed lockdown, negatively impacted the market, resulting in a decline of ~0.5% in CY2020 compared to CY2019. However, the market recovered in CY2021, registering a year-over-year (YoY) growth of 3.8% due to the easing of Covid-19 restrictions and release of pent-up demand. Growth has continued since, with the global textile industry registering a YoY increase of 3.9% in CY2022 and 0.3% in CY2023.

The industry is expected to grow at a CAGR of 2.5-3.5% between CY2023 to CY2027 to reach ~US$1,780–1,830 billion in CY2027. An increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market over the forecast period. Volume-wise, the industry is expected to grow from 193 billion tonnes in CY2023 to 210–220 billion tonnes in CY2027, registering a CAGR of 2.0–3.0%.

Global textile market



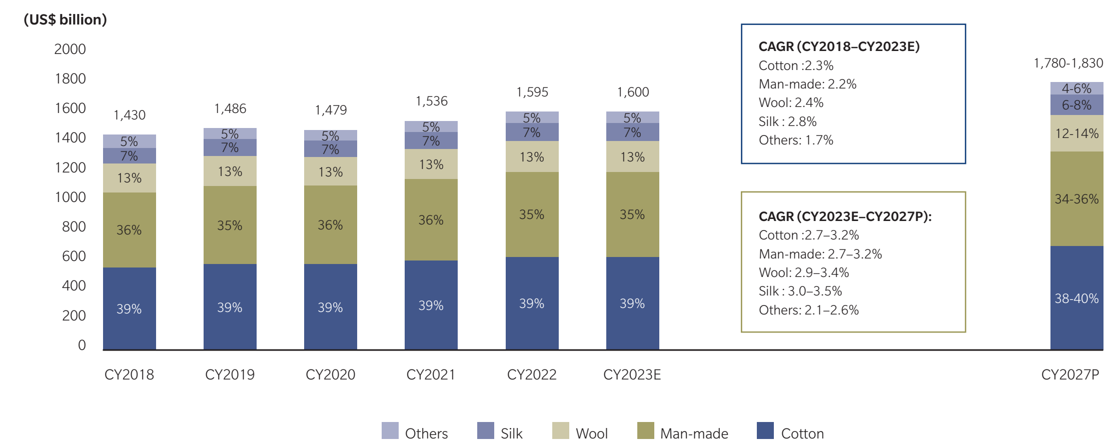
Note: E: Estimated; P: Projected
Source: Grandview Research; CRISIL MI&A

Cotton expected to remain the largest contributor to the textiles industry at ~38–40% share in CY2027

From CY2018–CY2023, cotton has continued to dominate the textile market, accounting for around 39% of total textile sales. The high demand for cotton can be attributed to its exceptional qualities of strength, absorbency, and colour retention. Its share is expected to remain in a similar range (38–40%) in CY2027 as well.

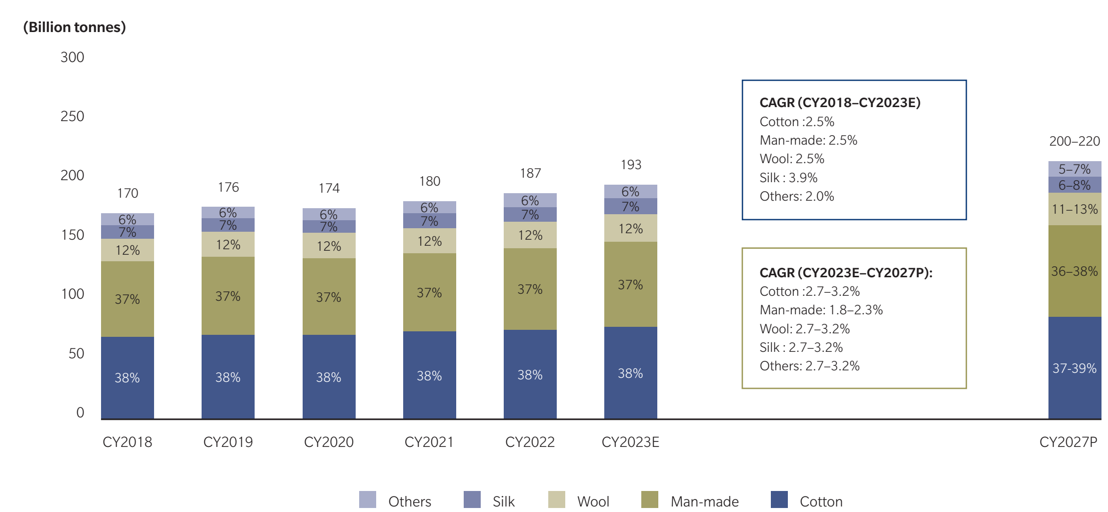
Man-made textiles had the second largest market share between CY2018–CY2023 and are expected to maintain a similar range in CY2027 as well, due to easy availability of raw materials, growing population and increasing demand of apparels in various textures and designs.

Global textile sales by raw material (value)



In terms of volumes too, cotton and man-made textiles had the highest share with 38% and 37% respectively between CY2018–2023. Overall, for volumes, the industry is expected to register a CAGR of 2.0–3.0% between CY2023–CY2027 compared to a CAGR of ~2.4% between CY2018–CY2023.

Global textile sales by raw material (volume)



Note: E: Estimated; P: Projected
The values for percentage shares mentioned in the graph are rounded off to the closest whole numbers
Source: Grandview Research; CRISIL MI&A

US and Bangladesh are major export destinations for Indian textile products

India's textile and apparel products, including handlooms and handicrafts, are exported to more than 100 countries across the globe. As of fiscal 2023, the US, Bangladesh and UK are the top three importers of textile products from India with a combined contribution of ~41%. India has recently signed a Free Trade Agreement (FTA) with the UAE and is also in the process of negotiating FTAs with other countries/regions, which is likely to boost future exports of Indian textiles and apparels by providing a competitive edge over other exporting countries that don't have FTAs.

Top 10 export destinations for Indian textile products (shares as a percentage of total value for that fiscal)

Regions	CY2018	CY2019	CY2020	CY2021
USA	26%	27%	29%	28%
Bangladesh	7%	12%	7%	7%
UK	7%	6%	6%	5%
UAE	5%	5%	6%	5%
Germany	2%	2%	3%	3%
France	2%	2%	3%	3%
Netherlands	2%	2%	3%	2%
Spain	2%	N.A.	2%	2%
Italy	N.A.	N.A.	2%	N.A.
Sri Lanka	N.A.	N.A.	2%	N.A.

Note: Countries listed are based on the top 10 export destinations for India in fiscal 2023
The percentages mentioned in the table are rounded to the nearest whole number
Source: Ministry of Textiles; CRISIL MI&A

INDIAN TEXTILE INDUSTRY

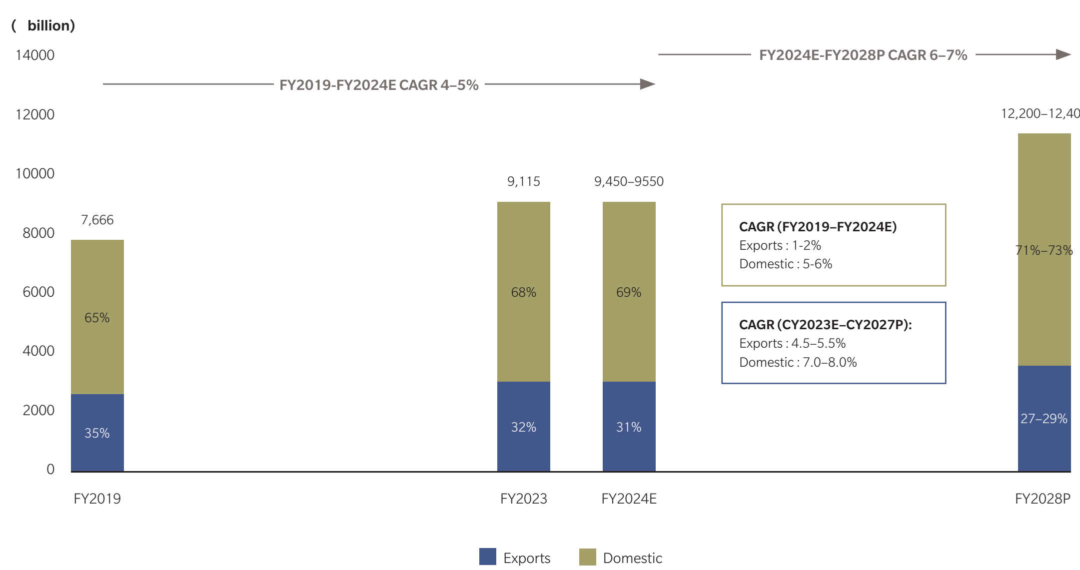
Indian textile and apparel market projected to grow at 6–7% CAGR between fiscal 2024–2028

Estimated to be ₹9,450–9,550 billion as of fiscal 2024, the Indian textile and apparel industry is projected to grow at a CAGR of 6.0–7.0% from fiscal 2024–2028 and reach a value of ₹12,500–12,700 billion. During this period, exports are expected to grow at a CAGR of 4.5–5.5% while domestic industry is expected to grow at a slightly higher pace, at 7.0–8.0%.

Between fiscals 2019–2024, the total Indian textile and apparel industry is estimated to have grown at a CAGR of 4–5%. Within this, the domestic Indian textile and apparel industry is estimated to have grown at a higher pace of 5–6%, while exports are estimated to have grown at a CAGR of 1–2%. The slower growth in exports is majorly due to the decline in fiscal 2020 as a result of the global slowdown, further compounded by Covid-19 disruptions in supply chain and demand causing order cancellations. High export tariffs levied on Indian exporters in countries like the European Union (EU), when compared to zero import duties for other exporting countries such as Bangladesh have further dampened export performance.

Future growth in the Indian textile and apparel market will be led by various economic factors such as increases in discretionary income and rising urban populations, as well as an increase in online retailing, shift from cotton to man-made fibre and a robust growth of the technical textiles segment. Global industry expanding outside of China would also aid the growth trajectory of Indian export markets.

Trend and outlook of Indian textile and apparel market



Note: E: Estimated; P: Projected
Domestic Indian textile industry consists of ready-made garments, unstitched fabric, technical textiles and home textiles
Source: Ministry of Textiles; DGCI&S; CRISIL MI&A

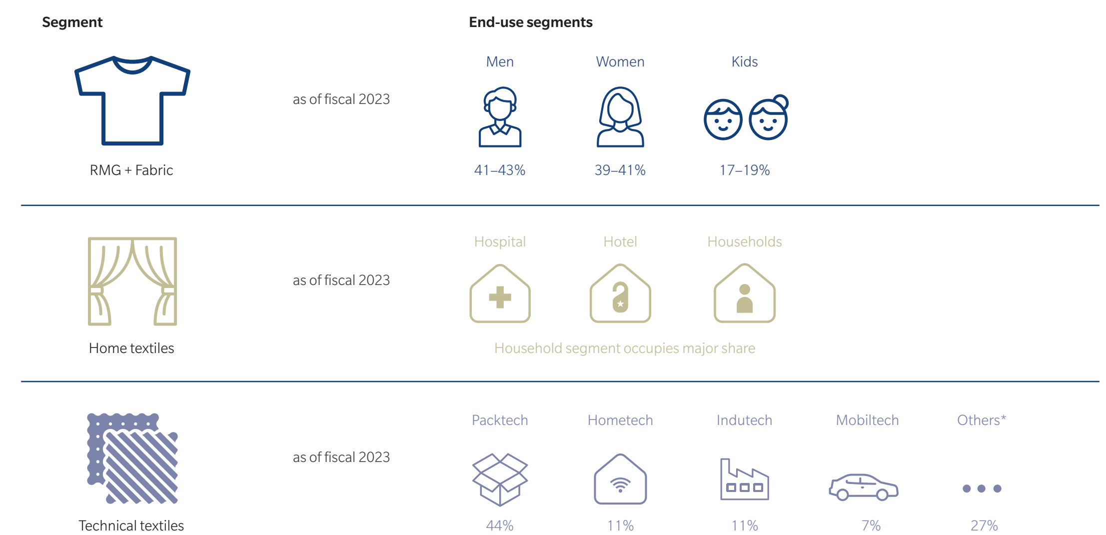
The Indian textile and apparel market is large in terms of value, and was roughly 3–3.5% India's GDP at current prices in fiscal 2023.

Segment-wise break-up of Indian textile and apparel industry

The textile and apparel industry consists of the following major segments:

Ready-made garments (RMG), which find their applications in the form of daily clothing as well as for occasions such as festivals. These include products such as shirts, trousers, T-shirts and jeans, and ethnic wear such as kurtas, salwar kameez, lehengas and sarees.
Home-textiles for various industries like hospitality, where they are used to enhance the ambience of the room; in the healthcare sector, to maintain hygiene; and in residential buildings as part of décor. Other products such as towels are used for cleansing and hygiene purposes.
Technical textiles are used primarily for their performance and functional properties rather than their aesthetic or decorative characteristics. They are used individually or as a component/part of another product. Individually used, they satisfy specific functions such as fire-retardant fabric for uniforms of firemen and coated fabrics, for awnings. As components or parts of other products, they are used to enhance strength, performance, or other functional properties.

End-use demand for textile and apparel industry in India



* Others include Clothtech (6%), Sporttech (6%), Meditech (5%), Buildtech (4%), Protech (3%), Geotech (2%), Agrotech (2%), Oekotech (0%)
Fabric considered above with RMG only includes unstitched fabric that is sold to end consumers
Source: CRISIL MI&A

India among the major cotton producers in the world

Cotton is one of the most important commercial crops cultivated in India. As of Cotton Season (CS) 2023, as per ICAC estimates, India accounts for around ~23% of the total global cotton production, only next to China. It plays a major role in sustaining the livelihood of an estimated 6 million cotton farmers and 40–50 million people engaged in related activities such as cotton processing and trade. However, production of cotton remains volatile and is highly vulnerable to changes in climatic conditions.

	CS2018	CS2019	CS2020	CS2021	CS2022	CS2023
Cotton production ('000 Tonnes)	6,290	5,661	6,205	5,992	5,290	5,722

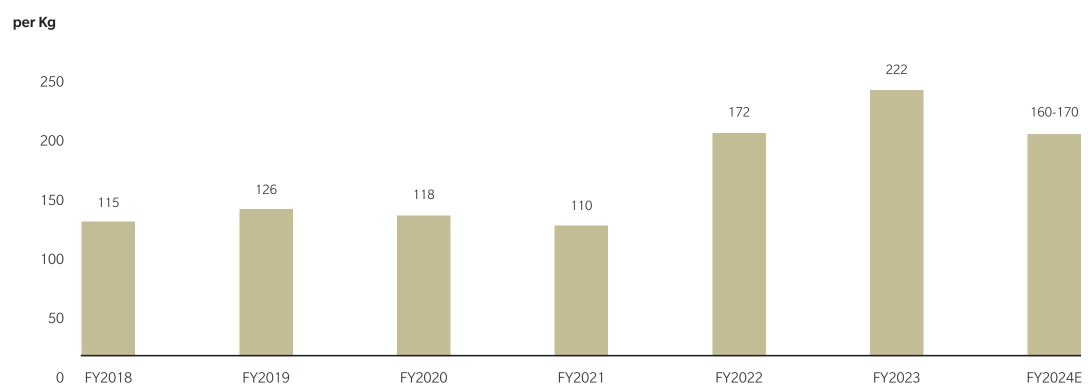
Note: CS: Cotton Season
The data for CS2023 is as per the 2022–2023 provisional report by Committee on Cotton Production and Consumption (COCPC), dated 6th November 2023
Source: Cotton Association of India; CRISIL MI&A

GLOBAL & INDIAN COTTON PRICES

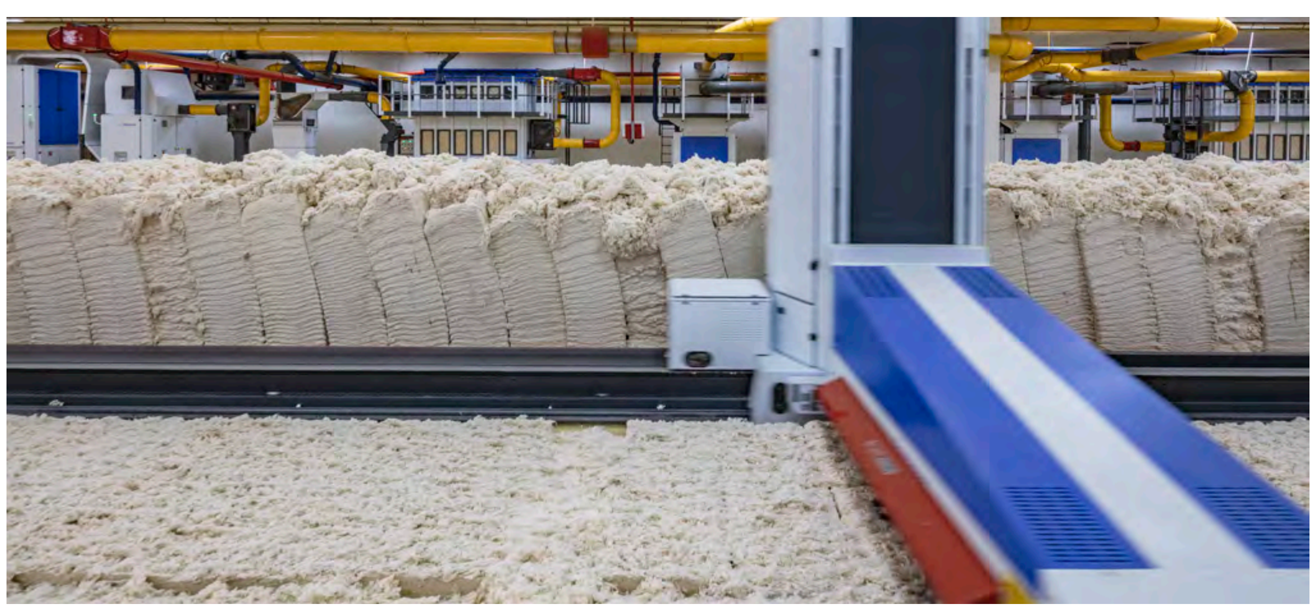
Raw material cost, i.e. cost of raw cotton, is the largest cost component forming a share of ~60% for a spinning mill. As cotton is a seasonal commodity, procuring raw cotton at the right time and price is crucial, as it directly impacts the operating margin of a spinning mill.

Domestic cotton prices rose by 56.9% on a YoY basis in fiscal 2022. The revival in demand after the Covid-19-led fall in the previous year, unequal growth from different countries, as well as logistics hurdles, pushed up commodity prices, and cotton was no exception to this either. While high demand ensured that yarn manufacturers could pass on the hike in raw material costs to an extent, the changed geopolitical situation and high inflation in developed economies called for anti-inflationary monetary actions, and this watered down the growth prospects of discretionary items including readymade garments. However, amidst this, a lower cotton crop compared to expectations in India, and import duty on cotton fibre ensured that cotton prices remained elevated. As a result, domestic cotton prices recorded a sharper year-over-year growth of 28.7% reaching a cost of ₹222 per Kg in fiscal 2023. Cotton prices are expected to moderate around pre-pandemic levels, and reach a price of ₹160–170 per Kg in fiscal 2024.

Cotton price trends over the years



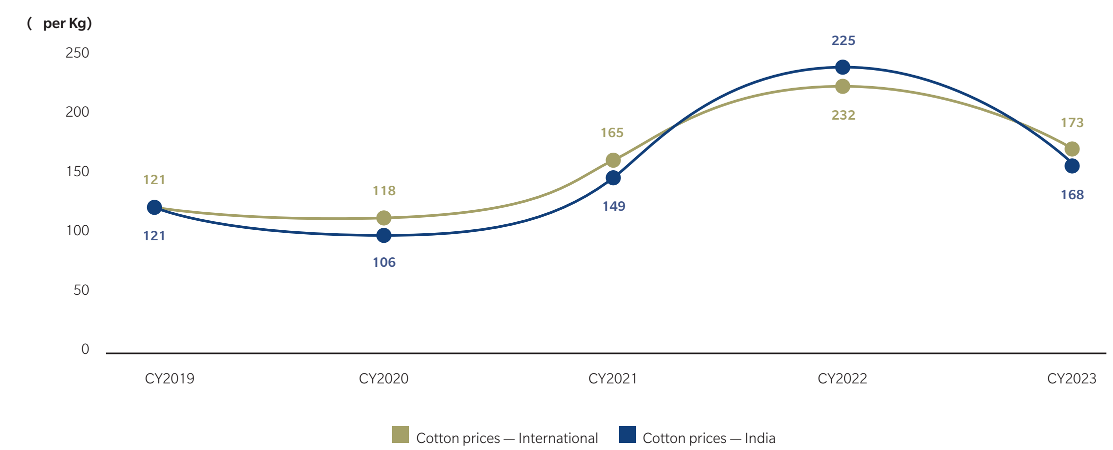
Note: E: Estimated
Source: Cotton Association of India; CRISIL MI&A



India has a pricing advantage, compared to global average cotton prices

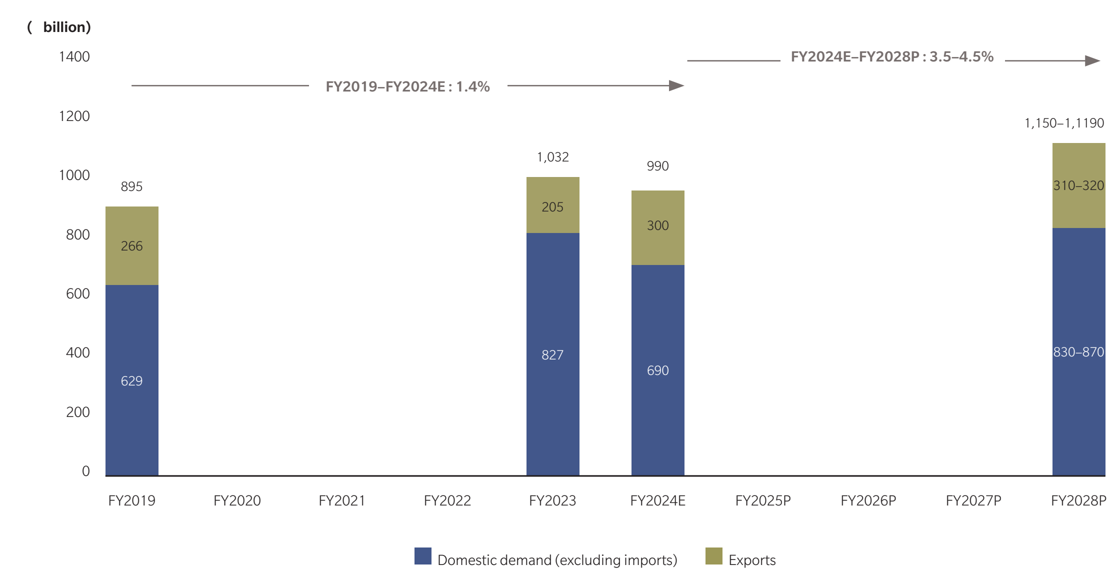
In terms of cotton prices, India stands at an advantage when compared to global average prices. Over the past years, from CY2019–CY2023, (except for CY2022) Indian cotton prices have been lower than the global average. In CY2023, international average cotton prices stood at ₹173 per Kg whereas Indian cotton prices stood at ₹168 per Kg.

Comparison of cotton prices (International vs Domestic)

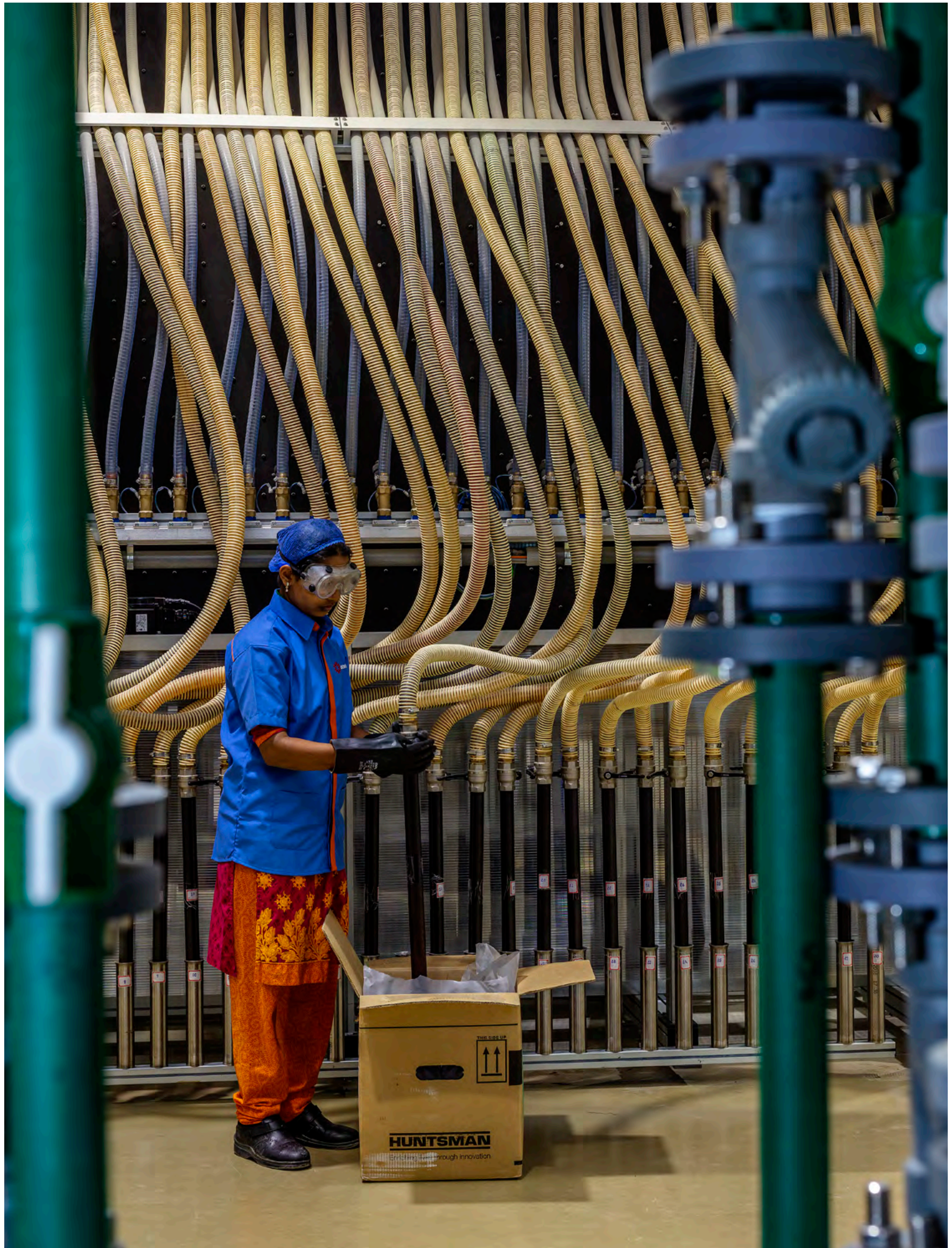


Note: S-6 grade cotton prices are considered for Indian cotton prices
Source: Federal Reserve of Economic Data (FRED); CRISIL MI&A

Cotton yarn production overview (in value terms)



Note: E: Estimated; P: Projected
Source: CRISIL MI&A



Increased volume and reduced prices set to drive growth in cotton yarn exports in fiscal 2024

For the Indian textile sector, fiscal 2022 was a year of recovery due to the release of pent-up demand. The US ban on cotton and derived products originating from China's Xinjiang region in January 2021, created greater export opportunities for the Indian yarn industry, in parallel. Post this, the demand for Indian cotton and cotton yarn increased in key garment manufacturing countries such as China, Bangladesh, and Vietnam.

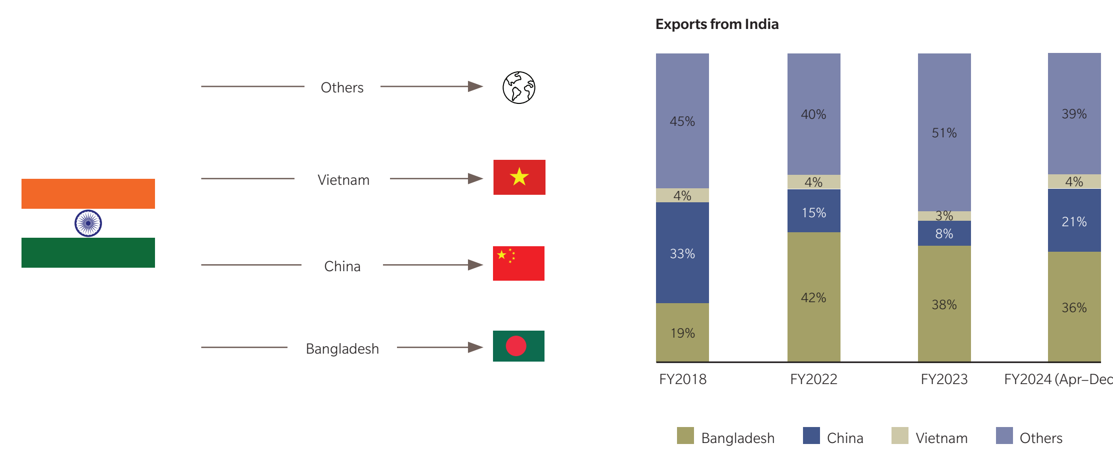
The ban on Xinjiang cotton changed the export demand outlook for cotton yarn and resulted in a growth of exports to Bangladesh for FY22 while exports to China were driven by the crisis which led to the shutdown of textile mills in China restricting supply, along with the imposed lockdowns in the country. However, the momentum in export growth could not be sustained for long due to rising cotton prices and a reduction in cotton production in India. These factors resulted in exports contracting by 54% in volume terms and 47% in value terms during FY23.

The latest monthly data shows export volumes are on a stage to recovery. Along with this, an estimated decline of 22–24% in cotton yarn prices will improve the attractiveness for Indian yarn and support exports further. This, coupled with a low base of the previous year, will aid cotton yarn exports to register an estimated YoY growth of 46% during fiscal 2024, in value terms.

Given the recovery in exports in fiscal 2024, cotton yarn exports are estimated to have grown at a CAGR of 2.5% between fiscals 2019–2024.

Cotton yarn exports are expected to grow at a CAGR of 0.5–1.5% between fiscals 2024–2028, reaching ₹310–320 billion, driven by demand recovery in end-use countries, coupled with growth in the global RMG industry.

Bangladesh emerges as the largest importer of cotton yarn from India as of fiscal 2023



Source: Ministry of Commerce, CRISIL MI&A

Over the years, China has been the largest importer of cotton yarn from India accounting for 33% of total exports in fiscal 2018. However, the share declined to 15% and 8% in fiscal 2022 and 2023 respectively. This is majorly due to the US ban on cotton products from Xinjiang, thus affecting Chinese cotton yarn demand. This in turn affected India's export of cotton yarn to China. Post this, Bangladesh has taken over as the largest importer of cotton yarn from India with a share of 38% in fiscal 2023. However, Indian exports to China are seeing a revival as per trade data available till December 2023.

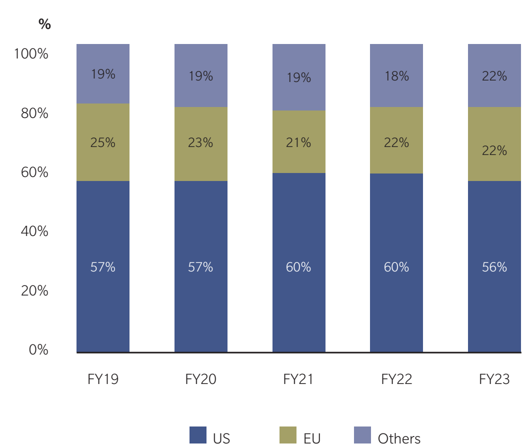
Home Textile Imports with Key Partners

US IMPORTS OF HOME TEXTILE PRODUCTS

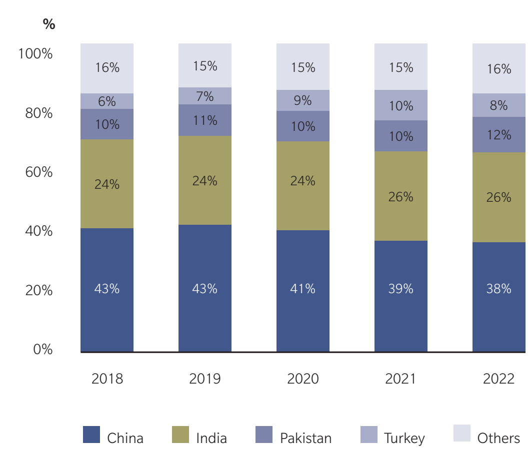
US remains the major importer of Indian home textile products, driving growth in the Indian home textile industry

In fiscal 2023, the US occupied a share of 56% in Indian home textile exports, while the EU occupied 22%. With the US holding the major share in exports, the rise in US retail sales which saw a CAGR of 8.0% during the same period rising from US$5,269 billion in fiscal 2019 to US$7,152 billion in fiscal 2023, has bolstered the export demand from India. US retail sales are showing an upward trend this fiscal as well, which is further expected to drive growth in the Indian home textiles industry.

Share of major importing nations in India's home textile exports



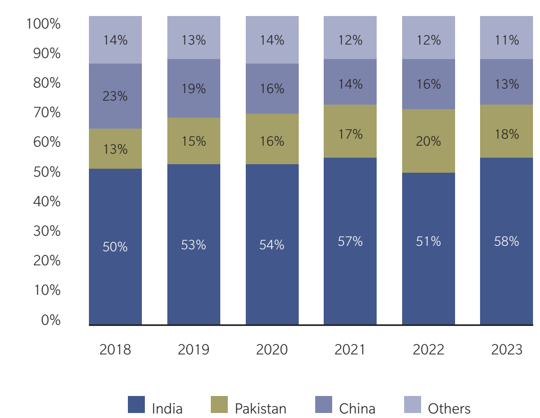
Share of major exporting nations in US home textile imports



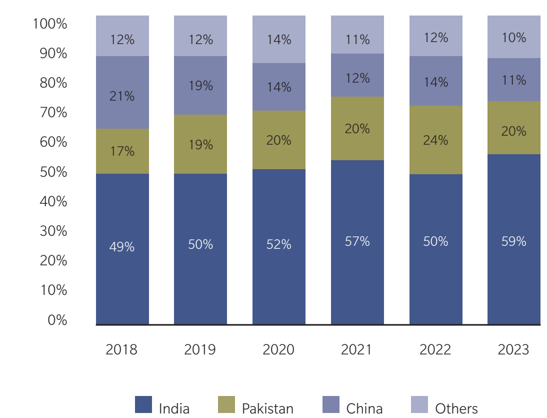
Note: The following HS codes are considered for home textiles: 6301, 6302, 6303, 6304, 630710, 6308, 6310, 5701, 5702, 5703, 5704, 5705
Source: ITC Trademap, Ministry of Commerce; CRISIL MI&A

From 2018 to 2023, India was one of the major exporters to the US in several product categories, including cotton bedspreads and quilts, cotton pillowcases, cotton sheets and cotton terry and other pile towels. During this time period, in terms of countries exporting to the US, India secured the highest market share for cotton pillowcases, cotton sheets and cotton terry and other pile towels. While China remains the largest importer to the US in the cotton bedspreads and quilts category, its market share has been declining due to factors such as rising labour costs, geopolitical tensions, and trade issues between the US and China.

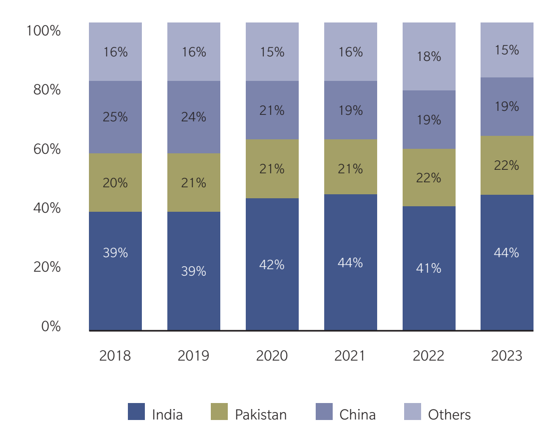
US imports of cotton pillowcases (% share)



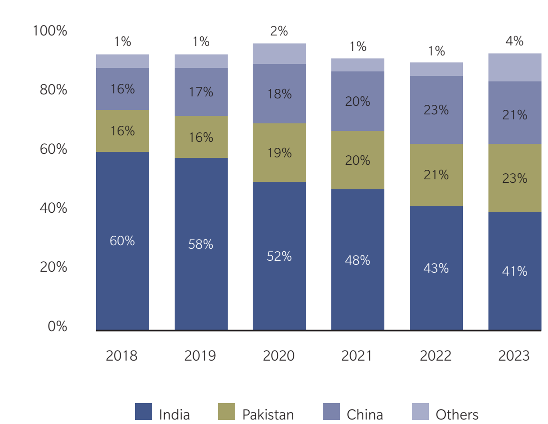
US imports of cotton sheets (% share)



US imports of cotton terry and other pile towels (% share)



US imports of cotton bedspreads and quilts (% share)



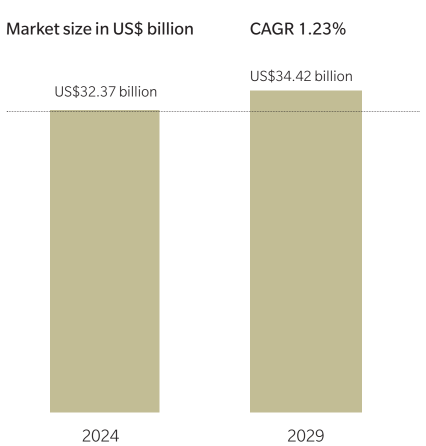
Source: OTEXA, CRISIL MI&A

EU IMPORTS OF HOME TEXTILE PRODUCTS

The EU home textile market size is estimated at US$32.37 billion in 2024, and is expected to reach US$34.42 billion by 2029, growing at a CAGR of 1.23% during the forecast period (2024–2029).

An increasing rate of urbanisation and improved quality of living are responsible for the growing demand for home textiles like bedding, bed sheets, towels, blankets and covers. With an increase in production capacities, Germany, France, Netherlands, and Italy have emerged as markets in the region with the largest share of home textile exports. Among the European countries, Germany has the largest market size of home textiles in the region, leading to an increasing number of global manufacturers selecting it as a destination for their home textile investments. Bed linen and bedspreads exist in the home textile category in Germany, with the largest market size of more than US$1.3 billion, and have been observing continuous growth over the years post, with the market size of floor, bath linen and upholstery.

Europe Home Textile Market



Study period	2020–2029
Base year for estimation	2023
Market size (2024)	US$32.37 billion
Market size (2009)	US$34.42 billion
Cagr (2024-2029)	1.23%
Market concentration	Low

Major players

TIROTEX REIG MARTI HAINSWORTH tisseray & cie

LAMEIRINHO

Disclaimer*: Major players sorted in no particular order

Source: Mordor Intelligence

UK IMPORTS OF TEXTILE PRODUCTS

In May 2024, the UK's clothing imports were £1.092 billion, a 12.21% decline YoY, according to the Office for National Statistics (ONS). Textile fabric imports decreased by 5.73% to £444 million, while fibre imports dropped to £32 million.

Our Risks & Opportunities

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

Risk Factors	Risk	Mitigation
Client and Market Concentration	Concentration of revenue streams from a few large clients and markets.	HSL is constantly diversifying its market presence and broad basing its global client base in order to de-risk revenue streams. Currently North America is the largest market for HSL. However our increasing presence in other regions such as the UK, EMEA, India and the Asia Pacific will aid in broad basing revenue streams and diversifying risk.
Changing Market Dynamics	Potential impact on revenues streams from constantly changing consumer preferences, purchasing patterns and market trends.	HSL is equipped to manufacture a comprehensive suite of home textile products that cater to clients and consumers across income groups, price points and aesthetic signatures. This diversified product portfolio aids us in mitigating risks that come along with ever changing market dynamics.
Pricing Stability	Impact on revenue streams and profitability emanating from pricing risks of both finished products and raw material inputs.	In the home textile industry, pricing of products is significantly influenced by the raw material prices. A diversified market presence, client base and product portfolio enhances the company's pricing power, relative to and within industry norms and limitations. HSL's core strategy of broad basing its revenue streams vis-a-vis clients, markets and products helps in mitigating pricing risk.
Raw Materials	Dependence on certain types of raw materials and its potential impact on supply chain stability and profitability.	HSL operates on prudent and well-balanced sourcing frameworks that reduces raw material risks vis-a-vis their availability and consistent supply that are essential to keep its global supply chain, aligned and stable.
Regulatory	Non-compliance to country-specific statutory requirements and regulations that may potentially impact business continuity and/or profitability.	The Company has in place comprehensive frameworks, processes, policies and systems to monitor its adherence and compliance to all applicable regulations and requirements in the jurisdictions.

Risk Factors	Risk	Mitigation
Environment, Health and Safety	Accidents involving significant injuries, loss of life, damage to equipment, facilities and the environment. The potential impact of the circumstances on business continuity and global standing of The Company.	HSL operates state-of-the-art manufacturing facilities that are equipped with advanced technology platforms and robust frameworks that help in ensuring best-in-class capabilities in maintaining safety standards across the value chain, The Company operates in. In addition, The Company has the following certifications that strengthen its safety and compliance capabilities: the manufacturing locations are certified for requirements under Fairtrade, ISO 14001 (environment management system) and OHSAS 18001 (Occupational Health and Safety System).
Liquidity and Credit Risk	Inadequate short-term and long-term liquidity and its potential impact on meeting both short-term and long-term financial obligations.	HSL maintains adequate working capital limits and other lines of credit that are commensurate with its size of business and are adequate to meet its short-term and long-term financial obligations.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

Independent External Assurance

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

Internal Assurance

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

Governance Structures and Policies

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

HUMAN RESOURCES

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

Learning & Development

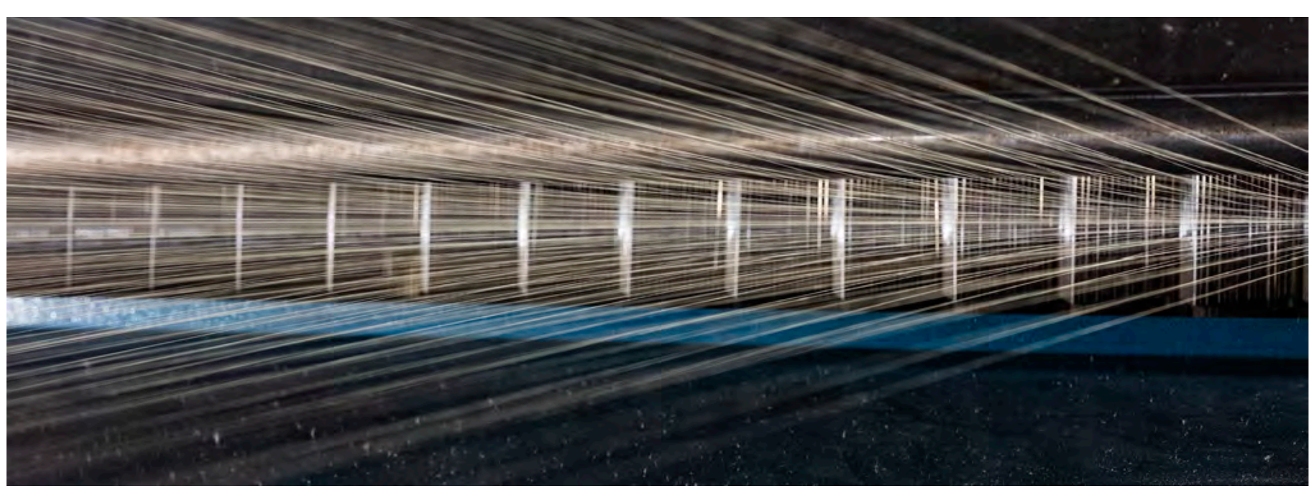
The focus on value driven, competency based development differentiates us as a market leader in attracting and retaining top talent. Our continued focus on enhancing employee capabilities to deliver a best-in-class working environment has enabled us to maintain a collaborative, transparent and participative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

Diversity & Quality in the Talent Pool

The Company engages over 8,500 people across its businesses and continues to invest in and nurture its talent pool in order to align with the broader vision of the Company. It ensures diversity in the workforce by promoting employees to maintain their identity, while adhering to the Company's values and behaviour. A concentrated effort on gender, age and regional diversity has been initiated through workshops and training programs.

Human Resource Transformation

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



Analysis of Consolidated Financials

CONSOLIDATED INCOME STATEMENT SUMMARY — FY2024

(₹ Lacs)

Particulars	Consolidated		
	2023–24	2022–23	FY2024 Change %
Revenue from Operations	2,84,145	2,67,774	6.1%
Other Income	2,113	7,502	-71.8%
Total Revenue	2,86,258	2,75,276	4.0%
Cost of Materials Consumed	1,22,026	1,54,211	-20.9%
As a % of Revenue	42.94%	57.59%	-25.4%
Employee benefit expenses	30,759	28,160	9.2%
Other expenses	71,740	58,301	23.1%
EBITDA	**61,733**	**34,604**	**78.4%**
Depreciation	15,810	16,403	-3.6%
EBIT	**45,923**	**18,200**	**152.3%**
Interest and finance cost	29,647	25,723	15.3%
Profit before tax	16,276	-7,523	316.4%
Profit after tax	**11,282**	**-6,408**	**276.1%**

Revenue Analysis

- Consolidated Total Revenues for the year increased by 3.99% and stood at ₹2,86,258 Lacs. This was primarily on account of stable demand for The Company's product in the market.
- FY2024 has registered a stable operating performance on the back of stable demand, stable capacity utilisation and softening raw material cost, which witnessed during the year.
- The demand environment remains largely stable and we remain focused on expanding our global client base, while enhancing our channel and market presence across all the key markets that we operate in.

Expenditure Analysis

- The cost of materials consumed stood at ₹1,22,026 Lacs during the year. Material costs as a percentage of revenue from operations decreased from 57.59% to 42.94% mainly on account of softening raw material cost.
- Employee benefit expenses stood at ₹30,759 Lacs as compared to ₹28,160 Lacs and as a percentage of total revenue, employee benefit expenses stood at 10.75% in FY2024 as compared to 10.22% in FY2023.
- Total operating expenses stood at ₹2,24,525 Lacs in FY2024 vs ₹2,40,672 Lacs during the previous year.
- Interest and finance charges increased by 15% to ₹29,647 Lacs in FY24 compared to ₹25,723 Lacs in FY2023 on account of increase in interest rates by banks and phase wise withdrawal of subvention scheme.

Profitability Analysis

- The consolidated EBITDA increased by 78.4% to ₹61,733 Lacs in FY2024 vs ₹34,604 Lacs in FY2023. Due to aforementioned factors the consolidated EBITDA margins stood at 21.73% in FY2024 Vs 12.92% during the previous year.
- The consolidated EBIT increased by 152.31% to ₹45,923 Lacs in FY2024 vs ₹18,201 Lacs during the previous year.
- The consolidated profit after tax for year stood at ₹11,282 Lacs vs Loss of ₹6,407 Lacs during the previous year.

CONSOLIDATED BALANCE SHEET

The analysis of our consolidated Balance Sheet as on 31 March 2024 is as below:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Property, Plant and Equipment *	2,53,365	2,67,438
Goodwill	53,086	52,387
Other Financial Assets	35,743	23,237
Deferred Tax Assets, (Net)	1,720	1,672
Non-Current Income Tax Assets (Net)	1,514	1,514
Other Current and Non-Current Assets	29,328	39,915
Inventories	97,964	88,485
Trade Receivables	90,166	67,002
Cash and Cash Equivalents^	16,565	11,769
Total Assets	**5,79,451**	**5,53,419**
Equity Share Capital	4,923	4,923
Other Equity	1,50,972	1,39,979
Total Borrowings	2,79,813	2,69,495
Current and Non-Current Provisions	3,674	2,851
Deferred Tax Liabilities, (Net)	10,087	8,163
Current And Non-Current Other Liabilities	26,125	27,895
Trade Payables	84,150	81,452
Other Current and Non-Current Financial Liabilities	16,343	18,645
Current Income Tax Liabilities, (Net)	3,364	16
Total Liabilities	**5,79,451**	**5,53,419**

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

Analysis of Assets

- Property, plant and equipment including CWIP and intangible assets decreased by ₹12,680 Lacs due to depreciation on the assets.
- Goodwill increased by ₹699 Lacs to ₹53,086 Lacs on account of the depreciation of Rupees against the US dollar.

Analysis of Equity & Liabilities

- The consolidated net worth of the company increased from ₹1,44,901 Lacs during FY2023 to ₹1,55,895 Lacs in FY2024 mainly due to profits registered during the year.
- Total borrowings increased from ₹2,58,181 Lacs in FY2023 to ₹2,63,415 Lacs in FY2024 due to additional borrowing during the year.
- Trade payables stood at ₹84,150 Lacs vs ₹81,452 Lacs during the previous year.

KEY CONSOLIDATED FINANCIALS & RATIOS

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Total Income	2,86,258	2,75,276
EBITDA	61,733	34,604
EBIT	45,923	18,200
Net Profit after Tax	11,282	-6,408
Net Worth	1,55,895	1,44,901
Net Debt	2,73,215	2,68,324
Net Profit Margin	3.9%	-2.3%
Operating Profit Margin	21.6%	12.6%
Leverage ratios		
Net Debt/Equity (Times)	1.75	1.85
Interest Coverage Ratio (Times)	1.55	0.71
Capital Efficiency Ratios		
Return on Equity (ROE)	7.5%	-4.4%
Return on Capital Employed (ROCE)	10.5%	4.2%
Working Capital Ratios		
Current ratio (in times)	1.24	1.07
Inventory Days	279	239
Receivable Days	111	79
Payable Days	156	131

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements of The Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Companies Act, 2013.

Statutory Reports

Board's Report

We are pleased to present the Thirty Ninth (39th) Annual Report on the business and operations of your Company, along with Audited Financial Statements and the Auditor's Report for the financial year ended March 31, 2024.

1. FINANCIAL HIGHLIGHTS

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

Particulars	Standalone			Consolidated		
	2023-24	2022-23	Change %	2023-24	2022-23	Change %
Revenue from Operations	2,54,910	2,05,274	24.18	2,84,145	2,67,774	6.11
Other Income	2,675	7,740	-65.44	2,113	7,502	-71.83
Total Revenue	2,57,585	2,13,014	20.92	2,86,258	2,75,276	3.99
EBITDA	52,088	29,028	79.44	61,733	34,604	78.40
EBITDA Margin (%)	20.43	14.14	44.5	21.73	12.92	68.12
EBIT	40,484	17,224	135.04	45,923	18,201	152.31
Profit before tax	16,417	-4,234	487.74	16,276	-7,522	316.38
Tax Expense	4,877	-1,215	501.40	4,994	-1,115	547.89
Profit after tax	11,540	-3,019	482.24	11,282	-6,407	276.09

2. BUSINESS HIGHLIGHTS

Key highlights of FY24 are as follows:

- The Standalone Total Revenue increased by 20.92% and stood at ₹ 2,57,585 lacs. The Standalone EBITDA for FY24 increased by 79.44% and stood at ₹ 52,088 lacs vs ₹ 29,028 lacs during FY23. Total Revenue was aided by an increase in Standalone EBITDA.
- The Consolidated Total Revenue increased by 3.99% and stood at ₹ 2,86,258 lacs. The Consolidated EBDITA for FY24 increased by 78.40% and stood at ₹ 61,733 lacs vs ₹34,604 lacs during FY23. The improved operating performance during the fiscal was aided by improved capacity utilization levels, a stable demand environment and softening raw material prices. We remained focused on expanding our global client base, while enhancing our channel and market presence across key regions globally.

3. CHANGE IN THE NATURE OF BUSINESS

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

4. SHARE CAPITAL

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

The Authorized Share Capital of the Company was increased during the year from ₹ 67,00,00,000 (Rupees Sixty-Seven Crores) divided into 13,40,00,000 (Thirteen Crores and Forty Lacs) Equity Shares with a face value of ₹ 5 (Rupees Five) each to ₹ 75,00,00,000 (Rupees Seventy-Five Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares with a face value of ₹ 5 (Rupees Five) each. The creation of 1,60,00,000 (One Crore and Sixty Lacs) Equity shares with a face value of ₹ 5 (Rupees Five) each ranks pari passu in all respects with the existing Equity Shares of the Company.

The Paid-up Capital of the Company is ₹ 49,22,85,800 (Rupees Forty-Nine Crores Twenty-Two Lacs Eighty-Five Thousand and Eight Hundred) divided into 9,84,57,160 (Nine Crores Eighty-Four Lacs Fifty-Seven Thousand One Hundred and Sixty) Equity Shares of ₹ 5 (Rupees Five) each. There has been no change in the paid-up capital during the year.

5. ISSUE OF SECURITIES

Pursuant to delegation of powers to Securities Committee ("SC") formerly known as Securities Allotment Committee, the following allotments were approved by the Securities Committee

- 8300 Unrated, Unlisted, Unsecured Foreign Currency Convertible Bonds ("FCCBs") with a face value of USD 1000 each aggregating to USD 8,300,000 (United States Dollar Eight Million Three Hundred Thousand only) were allotted to International Finance Corporation ("IFC") on April 27, 2023 through Private Placement.

- 210 Unrated, Unlisted, Secured, Redeemable, Non-Convertible Debentures ("NCDs") with a face value ₹ 10,00,000 each aggregating to Indian Rupees 21,00,00,000/- (Rupees twenty-one crores only) to IFC on July 06, 2023 through Private Placement.
- 4200 Unrated, Unlisted, Unsecured FCCBs of face value with a USD 1000 each aggregating to USD 4,200,000 (United States Dollar Four Million Two Hundred Thousand only) were allotted to IFC on July 07, 2023 through Private Placement.
- 970 Unrated, Unlisted, Secured, Redeemable, NCDs with a face value ₹ 10,00,000 each aggregating to Indian Rupees 97,00,00,000/- (Rupees Ninety Seven crores only) were allotted to IFC on March 21, 2024 through Private Placement.

6. DIVIDEND

Pursuant to the Dividend Distribution Policy of the Company, the Board of Directors at their meeting held on May 23, 2024, has recommended a final dividend of 5% (₹ 0.25 per equity share) for the financial year ended March 31, 2024.

The final dividend is subject to the approval of Members at the ensuing 39th Annual General Meeting ('AGM') of the Company. The dividend, if declared, will be paid to the Members holding equity shares as on record date i.e., September 20, 2024. The same will be paid within statutory timelines after deduction of tax at source, as applicable.

7. MATERIAL CHANGES AND COMMITMENTS

The material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report were as follows:

- The Company has further invested ₹ 1664.36 lacs in 115 equity shares of its wholly owned subsidiary, Himatsingka Holdings NA Inc.

The Company has made the following investments in solar energy companies to enhance its renewable energy footprint:

- ₹ 4,00,00,000 (Rupees Four crores only) in the form of 40,00,000 Class A equity shares of ₹ 10/- each (10.97% of total paid up capital).
- ₹ 26,000 (Rupees Twenty six thousand only) by acquiring 2,600 equity shares of ₹10/- each (26% of total paid up capital).

8. TRANSFER TO RESERVES

The Company has not transferred any amount to the reserves during the year under review.

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

As on March 31, 2024, the Company had the following subsidiaries and associates:

Subsidiaries:

Name of Subsidiaries	Wholly owned Subsidiary	Material Subsidiary	Step down Subsidiary
Himatsingka Wovens Private Limited	√	-	-
Himatsingka Holdings NA Inc.	√	√	-
Himatsingka America Inc.*	√	√	√

*Wholly owned Subsidiary of Himatsingka Holdings NA Inc.

Joint Ventures:

- Twill & Oxford LLC, based in UAE was voluntarily liquidated.

Associates:

- AMP Energy C&I Twenty Four Private Limited- the Company has invested in 26% of the paid up capital during the quarter ended June 30, 2024.

Consolidated Financial Statements:

Pursuant to Section 129(3) of Companies Act, 2013 and Regulation 33 & 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Consolidated Financial Statements of the Company are prepared in accordance with the Indian Accounting Standards (IndAS) prescribed by the Institute of Chartered Accountants of India forms part of this Annual Report.

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. A statement containing the salient features of the Financial Statements of its subsidiaries in form AOC-1 is annexed to this report as ***Annexure 1.***

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

10. ANNUAL RETURN

As required under section 92(3) of Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014, the draft of the Annual Return in form MGT-7 for the year 2023-24 may be accessed on the following weblink of the Company's website: https://www.himatsingka.com/investors/financial-reports?tab=annual_report_tab

11. PUBLIC DEPOSITS

The Company has neither accepted nor has any outstanding deposits from the public pursuant of section 73 of Companies Act, 2013.

12. BOARD OF DIRECTORS AND COMMITTEES

Composition of Board and changes thereto

As on March 31, 2024, the Board Directors of the Company comprised of 8 (Eight) Directors and its composition was as follows:

- 2 (Two) Promoter Executive Directors including the Chairman and Vice Chairman & Managing Director
- 1 (One) other Executive Director
- 4 (Four) Non-Executive Independent Directors including 1 (One) Non-Executive Independent Woman Director and
- 1 (One) Non-Executive Nominee Director.

The composition of Board of Directors as on the date of this report remains the same as stated above and the following were the changes in the composition of the Board, during the year:

- The Board of Directors at their meeting held on May 30, 2023, based on recommendation of Nomination and Remuneration Committee, appointed Mr. Shyam Powar as an Additional Director (Non-Executive Independent Director) of the Company subject to the approval of the Shareholders. Subsequently the Shareholders through postal ballot dated July 21, 2023 approved the appointment of Mr. Shyam Powar as a Non-Executive Independent Director.
- Mr. Rajiv Khaitan resigned as Non-Executive Independent Director with effect from May 30, 2023 on account of being pre-occupied with personal and professional engagements and confirmed that there were no other material reasons for his resignation.
- The Export- Import Bank of India ("Exim") had nominated Mr. Manish Krishnarao Joshi as a Non- Executive Nominee Director w.e.f. March 09, 2023 and withdrew their nominee w.e.f. June 28, 2023. Subsequently on February 01, 2024, Exim nominated Mr. Manish Krishnarao Joshi as a Non- Executive Nominee Director on the Board of the Company.
- The Board of Directors at their meeting held on January 25, 2024, based on recommendation of Nomination and Remuneration Committee, appointed Mr. Ravi Kumar as an Additional Director (Non-Executive Independent) of the Company subject to the approval of the shareholders. Subsequently the shareholders through postal ballot dated March 01, 2024 approved appointment of Mr. Ravi Kumar as a Non-Executive Independent Director.

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

Board Meetings

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

Board Committees

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

Re-appointment of Directors retiring by rotation

In accordance with the provisions of section 152(6) of Companies Act, 2013 and Articles of Association of the Company, Mr. D.K. Himatsingka, Executive Chairman (DIN: 00139516), retires by rotation and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and Board at their meeting held on August 03, 2024 have recommended his re-appointment for approval of the Shareholders.

Declaration by Independent Directors

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

Directors' Responsibility Statement

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

a) In the preparation of the Annual Financial Statements for the year ended March 31, 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2023-24 and of the profit ~~and loss~~ of the Company for that period;

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

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

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

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

Key Managerial Personnel ("KMP")

The KMP of the Company as on date and as on March 31, 2024 are:

- Mr. D.K. Himatsingka, Executive Chairman,
- Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director,
- Mr. M Sankaranarayanan, President - Finance & Group Chief Financial Officer and
- Ms. Bindu D, Assistant General Manager – Corporate Compliance & Company Secretary.

Mr. M. Sankaranarayanan was appointed as Chief Financial Officer of the Company w.e.f. August 17, 2023 and Ms. Bindu D. was appointed as Company Secretary & Compliance Officer of the Company w.e.f. February 03, 2024. Mr. M. Sridhar ceased to be KMP on account of his resignation as Company Secretary & Compliance Officer of the Company w.e.f. February 02, 2024. There were no other changes in the KMP during the year.

Board Performance Evaluation

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

13. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India pursuant to section 118(10) of Companies Act, 2013.

14. AUDITORS AND AUDITORS' REPORTS

a) Statutory Auditors

Pursuant to the provisions of section 139 of Companies Act, 2013 and the rules framed thereunder, the members of the Company at the 37th Annual General Meeting held on September 28, 2022 appointed M/s. MSKA & Associates, Chartered Accountants, as Statutory

Auditors of the Company and are liable to hold office until the conclusion of the 42nd Annual General Meeting of the Company to be held in the year 2027.

The report on the consolidated and standalone financial statements of financial year 2023-24 by the Statutory Auditors M/s MSKA & Associates, Chartered Accountants, forming part of the Annual Report does not have any qualification, reservation or adverse remarks.

b) Secretarial Auditor

The Company had appointed CS Vivek Manjunath Bhat, Company Secretary in Practice, (M. N.: F7708) to conduct the secretarial audit as required under section 204 of Companies Act, 2013.

The Secretarial Audit Report for the financial year 2023-24 does not contain any adverse remark, qualification or reservation, except as stated below. The report is appended as ***Annexure 2*** to this report.

In the following matter the Company has received communication from BSE Limited on June 24, 2024, stating Partial waiver /Regret letter for waiver of fine levied pursuant to SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 ("Partial Waiver Letter").

The following remark forms part of the Secretarial Audit report:

"It has come to my attention that a financial institution owned and controlled by the Government of India nominated a Director to the Board of the Company, and the Nominee Director was appointed effective March 09, 2023. This appointment resulted in a violation of Regulation 17(1) of the Listing Regulations, 2015, concerning the composition of the Board. This non-compliance persisted from March 09, 2023, to June 28, 2023. The financial institution had withdrawn the nomination of Director on June 28, 2023 as evidenced by the regulatory filings made by the Company and the Board composition is in line with Regulation 17(1) of the Listing Regulations from June 28, 2023.

BSE Limited and the National Stock Exchange of India Limited have imposed fines on the Company for contravening the provisions of Regulation 17(1) of the Listing Regulations, 2015, for the quarters ending on March 31, 2023, and June 30, 2023, respectively. The Company has duly paid the fines and submitted a waiver application to the stock exchanges, which is currently pending review."

In explanation of the aforesaid remark the Board states that:

"The company has notified the BSE Limited and National Stock Exchange of India Limited of the withdrawal of the nomination of Director from the Board by the Exim, effective from June 28, 2023. Compliance with the Board composition criteria, as per Regulation 17(1) of the Listing Regulations, has been ensured by the company since the mentioned date. The company has duly paid the requisite fine imposed by the exchanges.

Additionally, waiver applications were submitted to the Stock Exchanges to contest the time limit for appointing an additional Independent Director, necessitated by the sudden appointment of Nominee Director by Exim.

BSE Limited vide Partial Waiver Letter waived fine amounting to ₹ 1.82 Lacs for the quarter ended June, 2023. Pursuant to "Processing of waiver applications by the Exchanges in case of commonly listed entities", issued by Stock Exchanges, the decision taken by one Exchange on waiver requests will be applicable to other Exchanges to maintain the uniformity in decision at both Exchanges."

c) Secretarial Compliance Report

The Company had appointed CS Vivek Manjunath Bhat, Company Secretary in Practice, (M. N.: F7708) for issuing the Annual Secretarial Compliance Report ("ASCR") under Regulation 24A of Listing Regulations which is appended as ***Annexure 3*** to this report. The aforementioned matters stated under Secretarial Audit also forms part of ASCR.

d) Cost Auditors

As the Company's export revenue in foreign exchange for the financial year 2023-24 was greater than 75% (seventy-five percent) of the total revenue of the Company, the Company falls within the exemption specified in Clause 4(3) of The Companies (Cost Records and Audit) Rules, 2014. In view of this, there is no requirement to furnish cost audit of cost records of the Company for its units at Hassan and Doddaballapur.

e) Internal Auditors

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

f) Internal Financial Controls

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

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

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

g) Fraud Reporting

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

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

The particulars of loans made, guarantees given, investments made and securities provided as per the provisions of section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations and the relevant rules made thereunder are given in the note no. 35 and 36 of the Standalone Financial Statements.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into by the Company with its related parties are at arm's length and in the ordinary course of business. The details of related party transactions forms part of Note no. 34 of Standalone Financial Statements of the Company. However, the list of material related party transactions as per the Company's policy on related party transactions, as required under rule 8(2) of Companies (Accounts) Rules, 2014, is annexed to the Board's Report in form AOC-2 as ***Annexure 4.*** The policy on materiality of related party transactions as approved by the Board may be accessed on the following weblink of the Company's website: https://www.himatsingka.com/investors/corporate-governance

17. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS/ COURTS/ TRIBUNALS.

There are no significant or material orders passed by Regulators/ Courts / Tribunal impacting the going concern status and company's operations in future.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A statement containing the necessary information on Conservation of energy, Technology absorption and Foreign exchange earnings and outgo stipulated under section 134(3)(m) of Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure-5.**

19. RISK MANAGEMENT

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

20. CORPORATE SOCIAL RESPONSIBILITY

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

During the year, the Company has contributed towards skill development and providing employment to Apprentices under Apprentices Act as per the National Apprenticeship Promotion Scheme. The details of the Composition of CSR Committee, the CSR Policy and the CSR spending have been elaborated in the ***Annexure-6*** to this report.

21. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) The remuneration of Directors is given herein below:

(₹ in Lacs)

Director	DIN	Sitting fees	Salaries and perquisites ^	Profit linked Commission	Total	Ratio to Median remuneration of employees	Percentage (%) increase/ (Decrease over previous year
Mr. D. K. Himatsingka	00139516	Nil	292.85	100.00	392.85	193.21	177.59#
Mr. Shrikant Himatsingka	00122103	Nil	292.85	100.00	392.85	193.21	186.73#
Mr. Shanmugasundaram Selvam**	09816120	Nil	42.57	Nil	42.57	NA	NA
Mr. Harminder Sahni **	00576755	8.00	Nil	20.00	28.00	NA	NA
Ms. Sandhya Vasudevan**	00372405	9.00	Nil	20.00	29.00	NA	NA
Mr. Shyam Powar*	01679598	5.00	Nil	20.00	25.00	NA	NA
Mr. Ravi Kumar*	02362615	1.00	Nil	5.00	6.00	NA	NA
Mr. Manish Krishnarao Joshi*	06532127	0.50	Nil	Nil	0.50##	NA	NA

* Associated with the company for part of the financial year 2023-24

** Associated with the company for part of the financial year 2022-23

During the financial year 2022-23 the remuneration did not include profit linked commission

Paid to Exim

^ The aforementioned remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

In the remuneration mentioned above, salaries and perquisites form the fixed component of the total remuneration. The commission is a variable component and is linked to the operating performance of the Company. None of the Executive Directors receive remuneration or commission from any of the Company's subsidiaries.

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

Key Managerial Personnel	Designation	Percentage Increase/(Decrease) in the remuneration, if any
Mr. M. Sankaranarayanan#	President – Finance and Group CFO	NA
Ms. Bindu D.^	Assistant General Manager – Corporate Compliance	NA
Mr. M. Sridhar*	General Manager – Corporate Compliance & Company Secretary	NA

#Appointed w.e.f August 17, 2023.

^Appointed w.e.f February 03, 2024.

*Associated with the company for part of the financial year 2023-24.

c) The percentage increase in median remuneration of the employees is 3.91 %

d) The number of permanent employees in the rolls of the Company is 6,587.

e) The average increase in the salaries of managerial personnel during the year was (29.86%) and the average increase in the salaries of employees other than managerial personnel was 20.36%.

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

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

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

The Statement containing names of top ten employees in terms of remuneration drawn and particulars of employees as required under section 197(12) of Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall be provided to the shareholders upon a request made to the Company Secretary at investors@himatsingka.com. Further, the Annual Report is being sent by email to the Shareholders excluding the aforesaid information in terms of section 136 of Companies Act, 2013.

22. INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of ₹16,40,999.00 relating to interim and final dividend of the financial year 2015-16. Further, 42,609 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. Year-wise detail of due date of transfer to IEPF account is provided in the Corporate Governance Report. The unpaid/ unclaimed dividends lying in the unpaid account up to the year, and the corresponding shares, which are liable to be transferred may be accessed on the following weblink of the Company's website: https://www.himatsingka.com/investors/shareholder-information

23. INSURANCE

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

24. RATING

a) CREDIT RATING

During the year, CRISIL vide its letter dated November 16, 2023 has reviewed and issued the credit rating for the debt instruments/ facilities of the Company as given below:

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

b) ISSUER RATING

CARE Ratings Limited vide its letter dated October 16, 2023 has assigned an Issuer Rating to Himatsingka Seide Limited as per details given below:

Name of the Agency	Type of Rating	Rating
CARE Ratings Limited	Issuer Rating	CARE BBB+; Stable/ CARE A2

25. POLICIES

a) Whistle Blower Policy

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

The Company has established a "Whistle Blower Policy" as required under Companies Act, 2013 and Listing Regulations and the same may be accessed on the following weblink of the Company's website: https://www.himatsingka.com/investors/corporate-governance

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

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

This is pursuant to section 177(9) & (10) of Companies Act, 2013 and Regulation 22 of the Listing Regulations. No grievance has been reported to the Audit Committee during the year and the same is stated in the Corporate Governance Report forming part of the Annual Report.

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

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

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

c) Nomination and Remuneration Policy

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

d) Dividend Distribution Policy

The Board of Directors of the Company have adopted a Dividend Distribution Policy as required under Regulation 43A of Listing Regulations. The Policy may be accessed on the following weblink of the Company's website: https://www.himatsingka.com/investors/corporate-governance.

e) Policy for determining material subsidiaries

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

f) Policy on Related Party Transactions:

As required under Regulation 23 of Listing Regulations, the Company has a policy on dealing with Related Party Transactions and includes materiality of related party transactions. The same may be accessed on the following weblink on the Company's website: https://www.himatsingka.com/investors/corporate-governance.

g) Corporate Social Responsibility

The Board of Directors of the Company have adopted a CSR Policy as required under section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII to Companies Act, 2013. The same may be accessed on the following weblink of the Company's website: https://www.himatsingka.com/investors/corporate-governance

26. CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) and Schedule V of the Listing Regulations the detailed report on corporate governance forms a part of the Annual Report.

The Certificate on compliance with the mandatory recommendations on corporate governance issued by Practising Company Secretary is attached as ***Annexure 7.***

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT ("MD & A")

In terms of Regulation 34 of Listing Regulations read with Schedule V, the MD&A forms part of this Annual Report.

28. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ("BRSR")

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

The requirement of BRSR was applicable during the year 2021-22 (as Business Responsibility Report). As per Regulation 3 (2A) of the Listing Regulations, the provisions of regulation 34(2)(f), which become applicable to a listed entity on the basis of criteria of market capitalisation, the same shall continue to apply to the Company for a period of three consecutive years, though the Company remains outside the applicable threshold 1000 ranking.

29. PENDING PROCEEDINGS UNDER THE IBC CODE, 2016 ("IBC")

Application for recovery pending before the National Company Law Tribunal ("NCLT"), Mumbai under Insolvency and Bankruptcy Code 2016:

- Claim of an amount of ₹ 1,29,07,257.6 from Textile Professional LLP and is reserved for final order. A counter was filed by Textile Professional LLP at NCLT, Bangalore and the matter is listed for dismissal.
- Claim for an amount of ₹ 6,21,47,627 from Umiya Textiles Private Limited has been dismissed by NCLT, Mumbai, as the same is not maintainable under IBC.

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

30. VALUATION FOR LOANS OBTAINED FROM FINANCIAL INSTITUTIONS/ BANKS

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

Acknowledgement

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

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

Place: Bengaluru
Date : September 03 , 2024

Shrikant Himatsingka
Executive Vice Chairman &
Managing Director
DIN: 00122103

D.K. Himatsingka
Executive Chairman
DIN: 00139516

ANNEXURE –1

STATEMENT REGARDING SUBSIDIARY COMPANIES AS ON MARCH 31, 2024

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

Form AOC-1

Part "A" Subsidiaries **(₹ in Lacs)**

Sl. No.	Name of the subsidiary	HWPL	HHNA	HIMA
1.	Date since Subsidiary was acquired	January 17, 2003	April 20, 2004	July 31, 2015
2.	Shareholding	100 %	100 %	100 % through HHNA
3.	Share Capital	1,750.00	1,07,727.42	78,548.78
4.	Reserves and Surplus	668.12	7,847.72	(35,696.40)
5.	Total Assets	2,733.82	1,31,993.38	1,73,817.45
6.	Total Liabilities ^	315.7	16,418.25	1,30,965.07
7.	Investments*	–	–	24.01
8.	Turnover	180.29	–	1,72,593.12
9.	Profit/ (Loss) Before Tax	137.45	(1.00)	648.96
10.	Provision for Taxation	12.42	2.37	102.65
11.	Profit/ (Loss) After Tax	125.03	(3.36)	546.31
12.	Proposed Dividend	**	–	–
13.	Closing exchange rate	INR/1.00	USD/83.3739	USD/83.3739
14.	Average exchange rate	INR/1.00	USD/83.018	USD/83.018

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

^ excluding Capital and reserves and including current liabilities and provisions

*Other than in subsidiaries

** 11.45% dividend received as on date.

All the aforementioned subsidiaries have their reporting period as March 31, 2024.

Part "B" Associate

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

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman &
Managing Director
DIN: 00122103

Sankaranarayanan. M
President – Finance & Group CFO

Bindu D.
Assistant General Manager – Corporate
Compliance & Company Secretary
Membership number: A23290

Place: Bengaluru
Date : September 03, 2024

ANNEXURE -2

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024
[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 Shareholders
Himatsingka Seide Limited
10/24, Kumara Krupa Road
High Grounds, Bangalore – 560001

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

Auditor's Responsibility:

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Himatsingka Seide Limited for the financial year ended on March 31, 2024 according to the provisions of:

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

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

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

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

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

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

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

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

  d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the company during the audit period);

  e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (to the extent applicable);

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

  g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the company during the audit period);

  h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the company during the audit period);

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

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

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

b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ('Listing Regulations').

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

I further report that

It has come to my attention that a financial institution owned and controlled by the Government of India nominated a Director to the Board of the Company, and the Nominee Director was appointed effective March 9, 2023. This appointment resulted in a violation of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, concerning the composition of the Board. This non-compliance persisted from March 9, 2023, to June 28, 2023. The financial institution had withdrawn the nomination of Director on June 28, 2023 as evidenced by the regulatory filings made by the Company and the Board composition is in line with Regulation 17(1) of the Listing Regulations from June 28, 2023.

BSE Limited and the National Stock Exchange of India Limited have imposed fines on the Company for contravening the provisions of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarters ending on March 31, 2023, and June 30, 2023, respectively. The Company has duly paid the fines and submitted a waiver application to the stock exchanges, which is currently pending review.

Further to this, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors, Woman Director and Independent Directors and the Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and conducted few meetings at shorter notice with consent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting Shareholders' views, if any, are captured and recorded as part of the minutes. All resolutions were passed with unanimous consent.

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

I further report that during the audit period the company had:

a) Issued and allotted 1,180 Unrated, Unlisted, Secured, Redeemable Non-Convertible Debentures having face value of INR 10,00,000 each; and

b) Issued and allotted 12,500 unrated, unlisted, unsecured Foreign Currency Convertible Bonds having face value of USD 1000 each.

Vivek Manjunath Bhat
Practicing Company Secretary
Membership Number: F7708
COP Number: 8426
PR No: 1482/2021
UDIN: F007708F000426555

Place: Bengaluru
Date : May 22, 2024

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

ANNEXURE – A

To,
The Shareholders
Himatsingka Seide Limited
10/24, Kumara Krupa Road
High Grounds, Bangalore – 560001.

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

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

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

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

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

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

6) Due to the inherent limitations of an audit, which include constraints related to internal, financial, and operating controls, there exists an unavoidable risk that certain misstatements or material non-compliances may not be detected, despite the audit being meticulously planned and executed in accordance with the prevailing Standards.

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

Vivek Manjunath Bhat
Practicing Company Secretary
Membership Number: F7708
COP Number: 8426
PR No: 1482/2021
UDIN: F007708F000426555

Place: Bengaluru
Date : May 22, 2024

ANNEXURE -3

SECRETARIAL COMPLIANCE REPORT
of Himatsingka Seide Limited

(CIN: L17112KA1985PLC006647)
For the year ended March 31, 2024

I, Vivek Manjunath Bhat, Practising Company Secretary, Secretarial Auditor of the Company, have examined:

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

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

c) Website of the Company,

d) Other relevant filings required to be made under other SEBI regulations which have been relied upon to make this certification, for the year ended March 31, 2024 ("Review Period") in respect of compliance with the provisions of:

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

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

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

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

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

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

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

e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

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

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

Sl. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	**Secretarial Standards:** The compliances of the Listed Entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	Nil
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Listed Entity • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/ guidelines issued by SEBI	Yes Yes	Nil Nil
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes Yes Yes	Nil Nil Nil

Sl. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
4.	**Disqualification of Director(s):** None of the Director(s) of the Company is/are disqualified under section 164 of Companies Act, 2013 as confirmed by the Listed Entity.	Yes	Nil
5.	**Details related to Subsidiaries of Listed Entity have been examined w.r.t.:** a) Identification of material subsidiary companies b) Disclosure requirement of material as well as other subsidiaries	Yes Yes	Nil Nil
6.	**Preservation of Documents:** The Listed Entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	Nil
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.	Yes	Nil
8.	**Related Party Transactions:** a) The Listed Entity has obtained prior approval of Audit Committee for all related party transactions; or b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	Yes NA	Nil Nil
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.	Yes	Nil
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	Nil
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued there under except as provided under separate paragraph herein (**).	As detailed below	As detailed below
12.	**Resignation of statutory auditors from the Listed Entity or its material subsidiaries:** In case of resignation of statutory auditor from the Listed Entity or any of its material subsidiaries during the financial year, the Listed Entity and/ or its material subsidiary(ies) has/ have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by Listed Entities.	NA	NA
13.	**Additional Non-compliances, if any:** No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Nil	Nil

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

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
01	Board of Directors	Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Board Composition criteria	National Stock Exchange of India Ltd. & BSE Ltd.	Fine Imposed	It has come to my attention that a financial institution owned and controlled by the Government of India nominated a Director to the Board of the Company, and the Nominee Director was appointed effective March 9, 2023. This appointment resulted in a violation of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, concerning the composition of the Board. This non-compliance persisted from March 9, 2023, to June 28, 2023. The financial institution had withdrawn the nomination of Director on June 28, 2023 as evidenced by the regulatory filings made by the Company and the Board composition is in line with Regulation 17(1) of the Listing Regulations from June 28, 2023. BSE Limited and the National Stock Exchange of India Limited have imposed fines on the Company for contravening the provisions of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarters ending on March 31, 2023, and June 30, 2023, respectively. The Company has duly paid the fines and submitted a waiver application to the stock exchanges, which is currently pending review.	₹ 6,60,700/- each	It has come to my attention that a financial institution owned and controlled by the Government of India nominated a Director to the Board of the Company, and the Nominee Director was appointed effective March 9, 2023. This appointment resulted in a violation of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, concerning the composition of the Board. This non-compliance persisted from March 9, 2023, to June 28, 2023. The financial institution had withdrawn the nomination of Director on June 28, 2023 as evidenced by the regulatory filings made by the Company and the Board composition is in line with Regulation 17(1) of the Listing Regulations from June 28, 2023. BSE Limited and the National Stock Exchange of India Limited have imposed fines on the Company for contravening the provisions of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarters ending on March 31, 2023, and June 30, 2023, respectively. The Company has duly paid the fines and submitted a waiver application to the stock exchanges, which is currently pending review.	The company has notified the BSE Ltd. and National Stock Exchange of India Ltd. of the withdrawal of the nomination of Director from the Board by the Export Import Bank of India ("EXIM"), effective from June 28, 2023. Compliance with the Board composition criteria, as per Regulation 17(1) of the Listing Regulations, has been ensured by the company since the mentioned date. The company has duly paid the requisite fine imposed by the exchanges. Additionally, waiver applications have been submitted to the Stock Exchanges to contest the time limit for appointing an additional Independent Director, necessitated by the the sudden appointment of Nominee Director by EXIM. The outcome of the waiver application is currently awaited.	NIL

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

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

Vivek Manjunath Bhat
Practicing Company Secretary
Membership Number: F7708
COP Number: 8426
PR No: 1482/2021
UDIN: F007708F000426599

Place: Bengaluru
Date : May 22, 2024

ANNEXURE - 4

Form No. AOC-2

Details of Related Party Transactions pursuant to clause (h) of sub section (3) of section 134 of Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

Details of material contracts or arrangement or transactions at arm's length basis: **(₹ in Lacs)**

Sl. No.	Name of the Related Party	Nature of relationship	Nature of contract/ arrangement/ transaction	Duration of contract/ arrangement/ transaction	Salient terms	Date of approval by the Board, if any	Amount paid as advance if any
1	Himatsingka America Inc.	Wholly owned Subsidiary	Sale of products	Continuing	Based on transfer pricing guidelines	May 30, 2023	Nil

Details of material contracts or arrangement or transactions which are not on arm's length basis: **(₹ in Lacs)**

Sl. No.	Name of the Related Party	Nature of relationship	Nature of contract/ arrangement/ transaction	Duration of contract/ arrangement/ transaction	Salient terms	Date of approval by the Board, if any	Amount paid as advances
NIL							

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

Shrikant Himatsingka
Executive Vice Chairman &
Managing Director
DIN: 00122103

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Place: Bengaluru
Date : September 03, 2024

ANNEXURE -5

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

[Pursuant to section 134(3)(m) of Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014]

A) CONSERVATION OF ENERGY:

a) The Company undertook the following steps for conservation of energy/ utilizing alternate source of energy during the year 2023-24:

Sl. No.	Particulars	Conservation
1	Operation optimisation of installed MBR new technology at our manufacturing facilities led to reduction of energy consumption	172963 KWH/Annum
2	Installation of New TFO for Less m/c Energy consumption.	1392125 KWH/ Annum
3	Installation of New TFO for Less air consumption to reduce specific Power consumption	272644 KWH/ Annum

* KWH: Kilowatt Hour; TFO: Two for one; MBR: Membrane bioreactors

B) TECHNOLOGY ABSORPTION:

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

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

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

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

c) Information regarding imported technology: Not applicable

d) Expenditure on R&D

- For the year 2023-24, the Company incurred ₹ 983 Lacs towards recurring expenditure on R&D. The total R&D expenditure as a percentage of turnover is 0.357%.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	₹ in Lacs
Earnings:	
Export (FOB Value)	2,25,007.54
Outgo:	
Import of raw materials and other inputs	19,700.99
Other expenses	625.20
Net foreign exchange earnings from operations	**2,04,681.35**
Import of capital goods	525.37

ANNEXURE - 6

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to section 135 of Companies Act, 2013 read with rule 8(1) of the Companies
(Corporate Social Responsibility Policy) Rules, 2014]

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

2. Composition of CSR Committee:

Name of the Director	Position	Meeting of the Committee		Held during the tenure	Attended	Percentage of Attendance
		30.05.2023	07.11.2023			
Mr. Shrikant Himatsingka	Chairperson	√	√	2	2	100%
Mr. D.K. Himatsingka	Member	NA	Leave of Absence	1	0	0%
Ms. Sandhya Vasudevan	Member, Non-Executive Independent Director	√	√	2	2	100%
Mr. Shanmugsundaram Selvam	Member	√	√	2	2	100%

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

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

5. a) Average net profit of the company as per sub-section (5) of section 135: ₹ 8,623 Lacs.

   b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 172.46 Lacs

   c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL

   d) Amount required to be set-off for the financial year, if any: ₹ 5.05 Lacs

   e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 167.41 Lacs.

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects): ₹ 175 Lacs

   b) Amount spent in Administrative Overheads: Nil

   c) Amount spent on Impact Assessment, if applicable: Not Applicable

   d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 175 Lacs

   e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (₹ in Lacs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 175 Lacs	Nil	NA	NA	NIL	NA

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

Sl. No.	Particular	Amount (₹ in Lacs)
(1)	(2)	(3)
i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 167.41*
ii)	Total amount spent for the Financial Year	₹ 175
iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 7.59
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)]	₹ 7.59

*CSR obligation for the financial year is ₹ 167.41 Lacs (Rs 172.46 Lacs less ₹ 5.05 Lacs i.e the excess spent during 2022-23)

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY- 2022-23	NA						
2	FY- 2021-22	NA						
3	FY-2020-21	NA						

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

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

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

Shrikant Himatsingka
Chairman, CSR Committee
DIN: 00122103

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Place: Bengaluru
Date : September 03, 2024

ANNEXURE - 7

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

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

1) This certificate is issued in accordance with the terms of our engagement letter dated August 16, 2024.

2) I, CS Pramod. S, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by the Himatsingka Seide Limited ('the Company'), for the year ended on March 31, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management Responsibility:

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

Practicing Company Secretary Responsibility:

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

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

6) I hereby confirm that my firm is a peer reviewed vide peer review unit 1491/2021.

Opinion:

7) Based on my examination of the relevant records, as well as the information, explanations, and representations provided to me by the Management, I hereby certify that, to the best of my knowledge, the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the fiscal year ended March 31, 2024, except Regulation 17(1) on account of nomination of director by Export-Import Bank of India, a financial institution owned and controlled by the Government of India, on the Board of the Company with effect from March 9, 2023 due to which 50% of the Board did not consist of Independent Directors. This non-compliance persisted from March 9, 2023, to June 28, 2023. The financial institution had withdrawn the nomination of Director on June 28, 2023 as evidenced by the regulatory filings made by the Company and the Board composition is in line with Regulation 17(1) of the Listing Regulations from June 28, 2023.

   BSE Limited ("BSE") and the National Stock Exchange of India Limited have imposed fines on the Company for contravening the provisions of Regulation 17(1) of the Listing Regulations for the quarters ending on March 31, 2023, and June 30, 2023, respectively. The Company has duly paid the fines and submitted a waiver application to the stock exchanges, on June 24, 2024 Company has received the email approval from the BSE for partial waiver of fine imposed in the aforementioned matter.

8) It should be noted that the events mentioned above took place before the signing of this report, and thus have been duly recorded and accounted for.

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

Restriction on use:

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

Pramod S.
Practicing Company Secretary
ACS: 36020; CP No.: 13335
Peer Reviewed Unit: 1491/2021
ICSI UDIN: A036020F001114548

Place: Bengaluru
Date : September 03, 2024

Corporate Governance Report

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

1) COMPANY'S GOVERNANCE PHILOSOPHY

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

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

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

2) BOARD OF DIRECTORS ("THE BOARD")

i) Composition and meetings of the Board

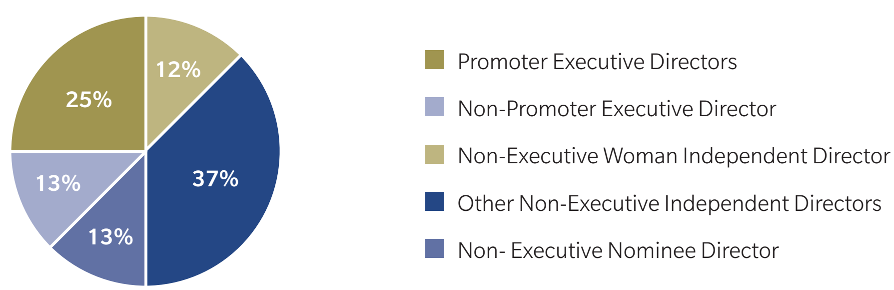
Pursuant to Regulation 17(1) of the Listing Regulations, the Company has a balanced mix of Executive Directors and Non-Executive Directors being eminent personalities from diverse fields who effectively contribute to the Company's business and policy decisions.

As on March 31, 2024, the Board Directors of the Company comprised of 8 (Eight) Directors and its composition was as follows:

- 2 (Two) Promoter Executive Directors including the Chairman and Vice Chairman & Managing Director
- 1 (One) other Executive Director
- 4 (Four) Non-Executive Independent Directors including 1 (One) Non-Executive Independent Woman Director and 1 (One) Non-Executive Nominee Director.

The composition of the Board of Directors as on March 31, 2024 is depicted herein below:

Composition of Board as on March 31, 2024



Directorship & Committee Membership Matrix

The names and categories of the Directors on the Board, number of Directorships and Committee Memberships held by them in other companies and the number of shares held by Director, in the Company as on March 31, 2024 are given below:

Name of the Director	Category#	No. of Directorships held in other companies (Note 1)	No. of Memberships and Chairpersonship in Committees of other public companies (Note 2)		No. of shares held by Directors
			Chairperson	Member	
Mr. Dinesh Kumar Himatsingka	P, ED	2	Nil	Nil	1,19,02,000
Mr. Shrikant Himatsingka	P, ED	6	Nil	Nil	85,46,964
Mr. Shanmugasundaram Selvam	ED	1	Nil	Nil	Nil
Mr. Harminder Sahni	NE, ID	6	Nil	Nil	Nil
Ms. Sandhya Vasudevan	NE, WID	4	Nil	1	Nil
Mr. Shyam Powar ^	NE, ID	5	1	1	Nil
Mr. Ravi Kumar *	NE, ID	2	Nil	Nil	Nil
Mr. Manish Krishnarao Joshi $	NE, ND	Nil	Nil	Nil	Nil

#P = Promoter, ED = Executive Director, NE = Non-Executive, ID = Independent Director, WID = Woman Independent Director, ND = Nominee Director

^Appointed as a Non- Executive Independent Director w.e.f. May 30, 2023

*Appointed as a Non- Executive Independent Director w.e.f. January 25, 2024

$Appointed by Export- Import Bank of India (Exim) as a Non- Executive Nominee Director on the Board of the Company w.e.f. February 1, 2024.

None of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees as specified in regulation 26 of Listing Regulations, across all the listed companies in which he or she is a Director. The Company has received from all the Directors the necessary disclosures regarding their Committee positions in other companies as on March 31, 2024.

Notes:

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

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

None of the Directors are related to each other, except that Mr. Shrikant Himatsingka is the son of Mr. Dinesh Kumar Himatsingka.

Directorship in other Listed Companies

Name of Director	Category	Name of the Listed Company
Ms. Sandhya Vasudevan	Non- Executive Independent Director	TTK Prestige Limited
Mr. Shyam Powar	Non- Executive Independent Director	Taal Enterprises Limited

None of the Directors hold Directorships exceeding the limits prescribed under the Companies Act, 2013 and regulation 17A of the Listing Regulations

ii) Attendance of Directors during the year 2023-24

The Board meets at regular intervals and 5 (Five) Board Meetings were held during the year on the following dates: May 30, 2023, August 10, 2023, November 07, 2023, January 25, 2024 and February 02, 2024. The time gap between all the Board meetings did not exceed 120 days and the same is in compliance of regulation 17(2) & (2A) of Listing Regulations.

Directors' Attendance Matrix

Name of the Director	Annual General Meeting	Board Meeting					No. of meeting held during tenure	Attended	Percentage of Attendance
	September 28, 2023	May 30, 2023	August 10, 2023	November 07, 2023	January 25, 2024	February 02, 2024			
Mr. Dinesh Kumar Himatsingka	√	√	√	LOA	√	√	5	4	80%
Mr. Shrikant Himatsingka	√	√	√	√	√	√	5	5	100%
Mr. Shanmugasundaram Selvam	√	√	√	√	√	√	5	5	100%
Mr. Harminder Sahni	√	√	√	√	√	√	5	5	100%
Ms. Sandhya Vasudevan	√	√	√	√	√	√	5	5	100%
Mr. Shyam Powar #	√	√	√	√	√	√	5	5	100%
Mr. Ravi Kumar ^	NA	NA	NA	NA	√	√	2	2	100%
Mr. Manish Krishnarao Joshi *	NA	√	NA	NA	NA	LOA	2	1	50%
Mr. Rajiv Khaitan @	NA	√	NA	NA	NA	NA	1	1	100%

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

Appointed as a Non-Executive Independent Director w.e.f. May 30, 2023.

^ Appointed as a Non-Executive Independent Director w.e.f. January 25, 2024.

* Appointed by Exim as a Non-Executive Nominee Director on the Board of the Company w.e.f. February 01, 2024. Previously, Exim had nominated Mr. Joshi as a Non-Executive Nominee Director w.e.f. March 09, 2023 and withdrew the nomination w.e.f. June 28, 2023.

@ Ceased to be Non-Executive Independent Director w.e.f. May 30, 2023 on account of being preoccupied with personal and professional engagements and confirmed that there were no other material reasons for his resignation.

iii) Board of Directors – Competency matrix

The Directors are professionals with rich experience in manufacturing, management, corporate strategy, finance, law and banking, regulatory governance, business creation, risk management, innovation & digitalisation, social impact initiatives.

Name of the Director	Textile Industry experience	Factory Operations and processes	Broad management perspective and experience	Interpretation of Financial Statements	Thorough Legal expertise involving corporate law, contracts	Risk Management
Mr. Dinesh Kumar Himatsingka	√	√	√	√	√	√
Mr. Shrikant Himatsingka	√	√	√	√	√	√
Mr. Shanmugasundaram Selvam	√	√	√	√	√	√
Mr. Harminder Sahni	√	√	√	√	√	√
Ms. Sandhya Vasudevan	–	√	√	√	√	√
Mr. Shyam Powar	–	–	√	√	√	√
Mr. Ravi Kumar	–	–	√	√	√	√
Mr. Manish Krishnarao Joshi	–	–	√	√	√	√

On the basis of the declarations received from each of the Independent Directors, the Board hereby confirm that the Non-Executive Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of the management.

iv) Code of Conduct

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

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

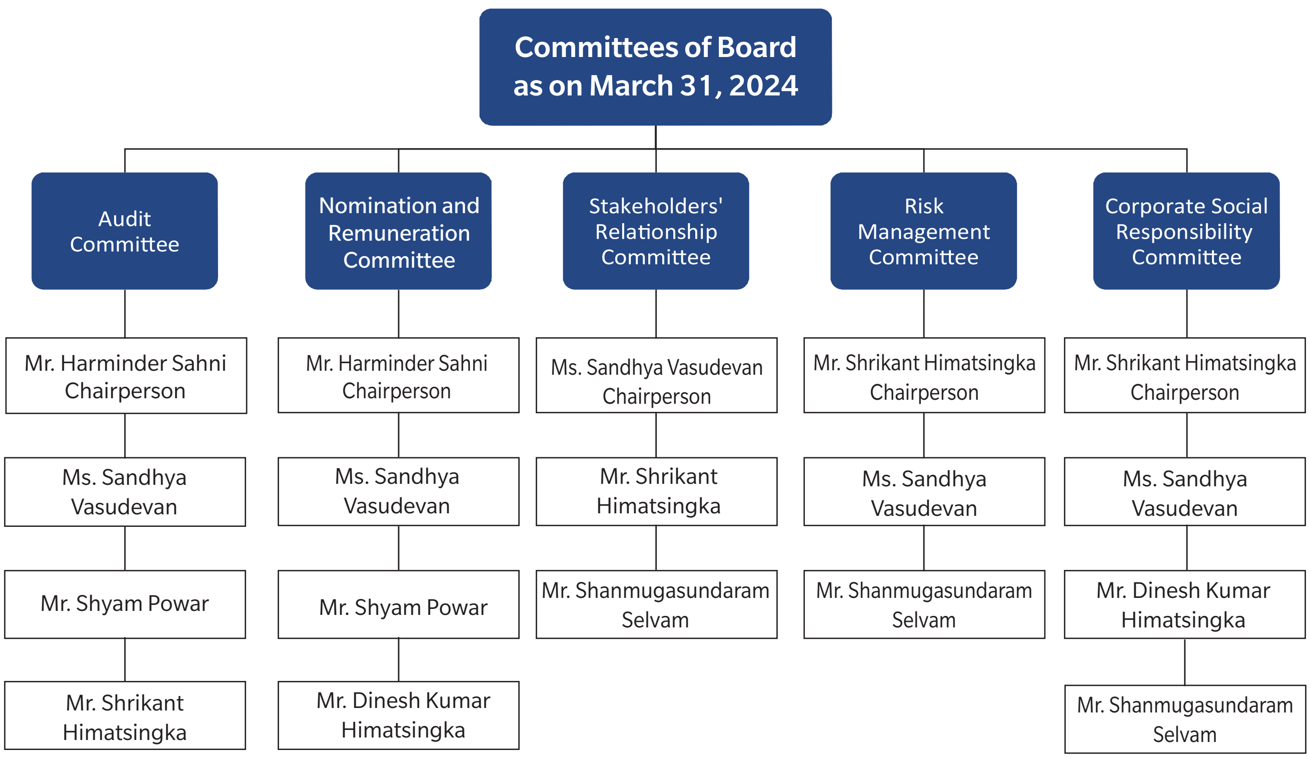
v) Familiarization Programme and Training

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

vi) Re-appointment of Directors

In terms of Section 152 of the Companies Act, 2013 Mr. Dinesh Kumar Himatsingka, Executive Chairman (DIN: 00139516) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and Board at their meeting held on August 03, 2024 have recommended his re-appointment for approval of the Shareholders.

3) COMMITTEES OF THE BOARD



The aforementioned committees are constituted by the Board in compliance with the Companies Act, 2013 and Listing Regulations.

The Company Secretary & Compliance Officer of the Company, acts as the Secretary to all the Board and Committee meetings.

i) Audit Committee

As on March 31, 2024, the Audit Committee comprises of 3 (Three) Non-Executive Independent Directors, i.e. Mr. Harminder Sahni, Ms. Sandhya Vasudevan and Mr. Shyam Powar and the Executive Vice Chairman & Managing Director, Mr. Shrikant Himatsingka. Mr. Harminder Sahni, Non-Executive Independent Director is the Chairperson of the Committee. Mr. Ravi Kumar, Non-Executive Independent Director was inducted as a member in the Audit Committee w.e.f. May 24, 2024.

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

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

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

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

Sl. No.	Role / Functions
1.	The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
2.	Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3.	Examination of the financial statement and the auditors' report thereon.
4.	Approval or any subsequent modification of transactions of the company with related parties.
5.	Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6.	Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
7.	Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause of sub-section 3 of section 134 of the Companies Act, 2013. b) changes, if any, in accounting policies and practices and reasons for the same. c) major accounting entries involving estimates based on the exercise of judgment by management. d) significant adjustments made in the financial statements arising out of audit findings. e) compliance with listing and other legal requirements relating to financial statements. f) disclosure of any related party transactions. g) modified opinion(s) in the draft Audit Report.
8.	Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
9.	Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
10.	Review and monitor the auditor's independence and performance, and effectiveness of audit process.
11.	Approval or any subsequent modification of transactions of the company with related parties.
12.	Scrutiny of inter-corporate loans and investments.
13.	Valuation of undertakings or assets of the Company, wherever it is necessary.
14.	Evaluation of internal financial controls and risk management systems.
15.	Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
16.	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
17.	Discussion with Internal Auditors of any significant findings and follow up there on.
18.	Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
19.	Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
20.	To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
21.	To review the functioning of the Whistle Blower mechanism.
22.	Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

23.	To review the utilization of loans and/ advances from/investment by the company in its subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.
24.	To consider and comment on rationale, cost benefits and impact of schemes including merger, demerger, amalgamation etc. on the Company and its shareholders.
25.	To review the financial statements and investments made by unlisted subsidiaries of the Company.
26.	Review of Compliance with Company's Insider Trading Policy.
27.	To review management discussion and analysis of financial condition and results of operations.
28.	To review management letters/ letters of internal control weaknesses issued by the statutory auditors.
29.	To review internal audit reports relating to internal control weaknesses.
30.	To review the appointment, removal and terms of remuneration of the chief internal auditor
31.	To review statement of deviations: a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).
32.	Such other matters as may be deemed necessary by the Chairman of the Committee.

Attendance of the Directors at the Audit Committee Meetings:

During the year 2023-24, the Audit Committee met 5 (Five) times on the following dates: May 30, 2023, August 10, 2023, November 07, 2023, January 25, 2024 and February 02, 2024. The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting. The Chairperson of the Committee attended all the meetings held. The attendance of the members for the year 2023-24 is as under:

Name of Director	Position	Date of Committee Meetings					Held during tenure	Attended	Percentage of Attendance
		30.05.23	10.08.23	07.11.23	25.01.24	02.02.24			
Mr. Harminder Sahni	Chairperson	√	√	√	√	√	5	5	100%
Ms. Sandhya Vasudevan	Member	√	√	√	√	√	5	5	100%
Mr. Shyam Powar	Member w.e.f. 30.05.23	NA	√	√	LOA	√	4	3	75%
Mr. Shrikant Himatsingka	Member	√	√	√	√	√	5	5	100%
Mr. Rajiv Khaitan	Member till 30.05.23	√	NA	NA	NA	NA	1	1	100%

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

Notes:

Chairman of the Audit Committee attended the previous Annual General Meeting. The invitees to the meeting include the Statutory Auditor, Internal Auditor and the Chief Financial Officer.

ii) Nomination and Remuneration Committee

As on March 31, 2024, the Nomination and Remuneration Committee comprised of 3 (Three) Non-Executive Independent Directors i.e. Mr. Harminder Sahni, Ms. Sandhya Vasudevan and Mr. Shyam Powar and the Executive Chairman, Mr. Dinesh Kumar Himatsingka. Mr. Harminder Sahni, Non-Executive Independent Director is the Chairperson of the Committee. Mr. Ravi Kumar, Non-Executive Independent Director, was inducted as a member in the Nomination and Remuneration Committee w.e.f. May 24, 2024

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

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

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

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

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

During the year 2023-24, the Committee met 5 (Five) times on May 04, 2023; May 30, 2023; August 10, 2023; January 25, 2024 and February 02, 2024. The attendance of the members for the year 2023-24 is as under:

Name of Director	Position	Date of Committee Meetings					Held during tenor	Attended	Percentage of Attendance
		04.05.23	30.05.23	10.08.23	25.01.24	02.02.24			
Mr. Harminder Sahni	Chairperson	√	√	√	√	√	5	5	100%
Ms. Sandhya Vasudevan	Member	√	√	√	√	√	5	5	100%
Mr. Shyam Powar	Member w.e.f. 30.05.23	NA	NA	√	LOA	√	3	2	66.66%
Mr. Dinesh Kumar Himatsingka	Member	√	√	√	√	√	5	5	100%
Mr. Rajiv Khaitan	Member till 30.05.23	√	√	NA	NA	NA	2	2	100%

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

Notes:

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

Remuneration of Directors

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

Given below are the details of directors remuneration during the financial year 2023-24: **(₹ In Lacs)**

Name	Sitting fees	Salaries and perquisites*	Profit linked Commission	Total
Mr. Dinesh Kumar Himatsingka	Nil	292.85	100.00	392.85
Mr. Shrikant Himatsingka	Nil	292.85	100.00	392.85
Mr. Shanmugasundaram Selvam	Nil	42.57	Nil	42.57
Mr. Harminder Sahni	8.00	Nil	20.00	28.00
Ms. Sandhya Vasudevan	9.00	Nil	20.00	29.00
Mr. Shyam Powar ^	5.00	Nil	20.00	25.00
Mr. Ravi Kumar ^	1.00	Nil	5.00	6.00
Mr. Manish Krishnarao Joshi ^#	0.50	Nil	Nil	0.50
Mr. Rajiv Khaitan ^	2.50	Nil	Nil	2.50

^ Associated with the company for part of the financial year 2023-24; #Received by Exim
* The aforementioned remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

The shareholders approved the below mentioned tenure of the Executive Directors and the same forms part of the service agreements:

Sl. No	Name	Tenure
1.	Mr. Dinesh Kumar Himatsingka	From June 1, 2023 to May 31, 2028
2.	Mr. Shrikant Himatsingka	From June 1, 2023 to May 31, 2028
3.	Mr. Shanmugasundaram Selvam	From December 15, 2022 to December 14, 2024

Non-Executive Directors are interested in the following transactions with the Company. The same does not exceed the threshold limits enunciated in section 149(6) of the Companies Act, 2013 and is in compliance with the Listing Regulations.

(₹ In Lacs)

Name of the Director	Purpose	Amount
Mr. Rajiv Khaitan ^	Professional fees paid to M/s. Khaitan & Co. LLP	14.28
Mr. Harminder Sahni *	Professional fees paid to M/s. Wazir Advisors Private Limited	47.50

^ senior partner of M/s. Khaitan & Co., LLP, Solicitors and Advocates.
* promoter & Managing Director of M/s. Wazir Advisors Private Limited.

The transactions are in the ordinary course of business and on arms' length basis and have been approved by the Audit Committee and the Board.

Criteria for making payments to Non-Executive Directors:

The shareholders of the Company at the annual general meeting dated September 28, 2023, approved the Commission payable to Non-Executive Directors pursuant to the provisions of section 197 of the Companies Act, 2013.

Performance Evaluation Criteria for Independent Directors:

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

iii) Stakeholders' Relationship Committee

As on March 31, 2024, Stakeholders' Relationship Committee is comprised of 1 (One) Non-Executive Independent Director, Ms. Sandhya Vasudevan, 2 (Two) Executive Directors, Mr. Shrikant Himatsingka and Mr. Shanmugasundaram Selvam. Ms. Sandhya Vasudevan, Non-Executive Independent Director is the Chairperson of the Committee.

Ms. Bindu D., Assistant General Manager – Corporate Compliance & Company Secretary, is designated as the Compliance officer of the company.

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

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

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

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

During the year 2023-24, the Committee met 4 (Four) times on May 30, 2023; August 10, 2023; November 07, 2023 and February 02, 2024. The attendance of the members for the year 2023-24 is as under:

Name of Director	Position	Date of Committee Meetings				Held during tenure	Attended	Percentage of Attendance
		30.05.23	10.08.23	07.11.23	02.02.24			
Ms. Sandhya Vasudevan	Chairperson	√	√	√	√	4	4	100%
Mr. Shrikant Himatsingka	Member	√	√	√	√	4	4	100%
Mr. Shanmugasundaram Selvam	Member w.e.f. 30.05.23	NA	√	√	√	3	3	100%
Mr. Rajiv Khaitan	Member till 30.05.23	√	NA	NA	NA	1	1	100%

√- Attended; NA- Not Applicable

Chairperson of the Stakeholders' Relationship Committee attended the previous Annual General Meeting. The minutes of the Stakeholders' Relationship Committee meetings are placed before the Board in the subsequent Board meeting. The Chairperson of the Committee attended all the meetings held.

Complaints received from Investors during the financial year 2023-24:

Nature of Complaints	Received	Resolved
Non-receipt of Annual Report	4	4
Non-receipt of dividend warrants	52	52
Non-receipt of securities	6	6
Complaints received through SEBI	1	1
TOTAL	**63**	**63**

The Company attended to most of the investors' grievances/ correspondence within 7 (Seven) days from the date of receipt of the same during the year 2023-24 and there were no complaints remaining unresolved at the end of the year.

iv) Corporate Social Responsibility Committee

As on March 31, 2024, the Corporate Social Responsibility Committee comprised of 1 (One) Non- Executive Independent Director, Ms. Sandhya Vasudevan and 3 (Three) Executive Directors, Mr. Shrikant Himatsingka, Mr. Dinesh Kumar Himatsingka and Mr. Shanmugasundaram Selvam. Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director, is the Chairperson of the Committee.

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

Sl. No.	Roles/ Functions
1.	Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act.
2.	Recommend the amount of expenditure to be incurred on the Corporate Social activities.
3.	Monitor the Corporate Social Responsibility Policy of the Company from time to time.
4.	Such other matters as may be deemed necessary by the Chairman of the Committee.

The company has identified three thrust area namely Health, Education and Community Development, skill development and providing employment to Apprentices. The details of CSR activities during the year are given in the Board's Report in ***Annexure 6*** forming part of the Annual Report.

The constitution of the Committee is in accordance with the requirements of section 135 of the Companies Act, 2013.

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

During the year 2023-24, the committee met 2 (Two) times on May 30, 2023 and November 07, 2023. The minutes of the Corporate Social Responsibility Committee meetings are placed before the Board in the subsequent Board meeting. The Chairperson of the Committee attended all the meetings. The attendance of the members for the year 2023-24 is as under:

Name of the Director	Position	Date of Committee Meetings		Held during tenure	Attended	Percentage of Attendance
		30.05.23	07.11.23			
Mr. Shrikant Himatsingka	Chairperson	√	√	2	2	100%
Ms. Sandhya Vasudevan	Member	√	√	2	2	100%
Mr. Dinesh Kumar Himatsingka	Member w.e.f. 30.05.23	NA	LOA	1	0	0%
Mr. Shanmugasundaram Selvam	Member	√	√	2	2	100%

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

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

v) Risk Management Committee

As on March 31, 2024, the Risk Management Committee comprised of 1 (One) Non-Executive Independent Director, Ms. Sandhya Vasudevan and 2 (Two) Executive Directors, Mr. Shrikant Himatsingka and Mr. Shanmugasundaram Selvam. Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director is the Chairperson of the Committee.

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

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

The constitution of the Committee is in conformation with the requirements under Regulation 21 of the Listing Regulations.

Attendance of the Directors at the Risk Management Committee Meetings:

During the year 2023-24, 2 (Two) meetings of the Committee were held on July 06, 2023 and December 22, 2023. The minutes of Risk Management Committee meetings are placed before the Board in the subsequent Board meeting. The attendance of the members for the year 2023-24 is as under:

Name of the Director	Position	Date of Committee Meetings		Held during tenure	Attended	Percentage of Attendance
		06.07.23	22.12.23			
Mr. Shrikant Himatsingka	Chairperson	LOA	LOA	2	0	0%
Ms. Sandhya Vasudevan	Member	√	√	2	2	100%
Mr. Shanmugasundaram	Member	√	√	2	2	100%

√- Attended; LOA- Leave of Absence

vi) Share Transfer Committee

As on March 31, 2024, the Share Transfer Committee comprised of 3 (Three) Executive Directors, Mr. Dinesh Kumar Himatsingka, Mr. Shrikant Himatsingka and Mr. Shanmugasundaram Selvam. Mr. Dinesh Kumar Himatsingka, Executive Chairman is the Chairperson of the Committee.

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

Sl. No.	Roles/ Functions
1.	Approve various investor's service requests including transfer/ transmission of securities, transposition, issue of duplicate share certificates, letter of confirmation, Sub- division/ Splitting of securities, Consolidation of securities, dematerialization and rematerialisation of shares.
2.	Noting of status of dematerialization and rematerialisation of equity shares of the Company.
3.	Such other matters as may be deemed necessary by the Chairman of the Committee.

Attendance of the Directors at the Share Transfer Committee Meetings:

During the year 2023-24, the Committee met 2 (Two) times on December 13, 2023 and December 15, 2023. The minutes of Share Transfer Committee meetings are placed before the Board in the subsequent Board meeting. The attendance of the members for the year 2023-24 is as under:

Name of Director	Position	Date of Committee Meetings		Held during tenure	Attended	Percentage of Attendance
		13.12.23	15.12.23			
Mr. Dinesh Kumar Himatsingka	Chairperson	√	√	2	2	100%
Mr. Shrikant Himatsingka	Member	√	√	2	2	100%
Mr. Shanmugasundaram Selvam	Member	√	√	2	2	100%

√- Attended

The committee meets at regular intervals to review and approve matters delegated by the Board.

Share Transfer System

Pursuant to Regulation 40 of the Listing Regulations, securities can be transferred only in dematerialised form. Members are requested to convert their physical holdings into demat form and may write to the Company at investors@himatsingka.com or to the Registrar and Share Transfer Agent ("RTA") at einward.ris@kfintech.com.

Shareholders' requests for issue of letter of confirmation for transmission/duplicate certificates and other related matters are handled by the Company through its RTA and are effected within the stipulated timelines, provided the documents are valid and in order.

Practicing Company Secretary, annually issues a certificate to the Company confirming the issuance of a letter of confirmation within 30 days of receiving investor service requests, as prescribed under Regulation 40(9) of the Listing Regulations, provided the documents are valid and in order and submits a copy of the certificate to the Stock Exchanges. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations confirming that all activities in relation to share transfer facility are maintained by RTA, KFin Technologies Limited, registered with the SEBI is also submitted to the Stock Exchanges on a yearly basis.

vii) Finance and Investment Committee:

As on March 31, 2024, the Finance and Investment Committee comprised of 1 (One) Non- Executive Independent Director, Mr. Shyam Powar and 2 (Two) Executive Directors, Mr. Dinesh Kumar Himatsingka and Mr. Shrikant Himatsingka. Mr. Ravi Kumar, Non-Executive Independent Director was inducted as a member in the Finance and Investment Committee w.e.f. May 24, 2024.

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

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

Sl. No.	Roles/ Functions
1.	Approve availing of credit/ financial facilities of any description from Banks/ Financial Institutions/ Bodies Corporate not exceeding Rs. 200 crores and be within the borrowing limit approved by the shareholders under section 180(1)(c) of the Companies Act, 2013.
2.	Approve providing security of moveable/ immovable properties of the Company to banks or financial institutions arising in connection with any loan facility availed / to be availed by the Company / Subsidiaries including providing corporate guarantee or deed of undertaking and to execute documents, deeds, agreements and such letters as may be required.
3.	Authorize personnel, to represent the Company and to enable matters with various statutory authorities including in connection with Income Tax Act, Customs Act, Goods and Service Act, Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, Employees Gratuity matters, VAT Authorities and other Local Authorities including by authorization to execute Power of Attorney, if any, in connection with the said matters.
4.	Amendment or modification of powers and changes in authorized signatories in connection with any facility availed from Banks/ Financial Institutions within the facility limits approved by the Board.
5.	Open/ close Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks, authorizing signatories to operate such Bank accounts including availing such other services like phone banking, internet banking etc., vendor financing arrangement with cash invoice for all vendors, which the Committee may consider necessary and expedient.
6.	Authorisations for availing lease/ rent arrangement of vehicles, plant & machinery, equipment, matters relating to Legal Entity Identifier, availing telecom network/ internet services from providers.
7.	Enable to comply with routine statutory and regulatory procedures other than those specifically required to be approved by the board of directors in a meeting as per the applicable law.

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

During the year 2023-24, the Committee met 3 (Three) times on September 11, 2023; November 28, 2023 and February 14, 2024. The minutes of Finance and Investment Committee meetings are placed before the Board in the subsequent Board meeting. The attendance of the members for the year 2023-24 is as under:

Name of Director	Position	Date of Committee Meetings			Held during tenure	Attended	Percentage of Attendance
		11.09.23	28.11.23	14.02.24			
Mr. Shrikant Himatsingka	Member	√	√	√	3	3	100%
Mr. Shyam Powar	Member	√	√	√	3	3	100%
Mr. Dinesh Kumar Himatsingka	Member	√	LOA	√	3	2	66.66%

√- Attended; LOA – Leave of Absence

Mr. Shrikant Himatsingka was elected as Chairman for meetings held during the year. The committee meets at regular intervals to review and approve matters delegated by the Board.

viii) Securities Committee (formerly known as "Securities Allotment Committee"):

As on March 31, 2024, the Securities Committee comprised of 1 (One) Non-Executive Independent Director, Mr. Harminder Sahni and 2 (Two) Executive Directors, Mr. Shrikant Himatsingka and Mr. Shanmugasundaram Selvam. Mr. Shrikant Himatsingka, Executive Vice Chairman & Managing Director is the Chairperson of the Committee.

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

Sl. No.	Roles/ Functions
1.	Finalising the key terms of the issue/ proposed issue.
2.	Decide the date for the opening and closing of the issue of Securities, including determining the form and manner of the issue, number of Securities to be allotted, determining the relevant date/ record date/ reference date, regulatory floor price, issue price, face value, discount and premium, if any selection of eligible QIBs/ eligible persons to whom the Securities are proposed to be offered, issued and allotted.
3.	Issuance and allotment of Securities, approval of conversion thereof, where applicable and completion of corporate action with depositories.
4.	Negotiate, finalize and execute all transaction documents such as offer document, placement document, private placement offer letter, letter of offer, depository agreements, escrow agreement, monitoring agency agreement, listing application, deeds, (including amending, varying or modifying the same, as may be considered desirable or expedient) and any other agreements or memoranda or documents, as may be necessary in connection with the issue/ offering and submission of these documents to authorities/ regulatory as may be required.
5.	Seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities.
6.	Seeking the listing of the Securities on the Stock Exchanges, and submitting the listing application to the Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing.
7.	Authorise opening, operating and closure of various bank account(s) for the purpose of the issue including with any escrow bank.
8.	Creation of Securities/ Charges on the assets of Company for providing security for issuing Securities.
9.	To make appropriate regulatory filings as required under applicable law with the authorized dealer, RBI or any other regulatory authority with respect to the issuance of the Securities.
10.	To settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotments and utilization of the issue proceeds as it may, in its absolute discretion deem fit.
11.	Monitor and review the developments of the issue.
12.	Authorise any executive director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities.
13.	To do all such acts, deeds, matters and things as the Committee may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate for making the said proposed issue as it, may deem fit and proper in its absolute discretion to be most beneficial to the Company.

Attendance of the Directors at the Securities Committee Meetings:

During the year 2023-24, the Committee met 5 (Five) times on April 27, 2023; June 23, 2023; July 6, 2023; July 07, 2023 and February 22, 2024. The minutes of Securities Committee meetings are placed before the Board in the subsequent Board meeting. The attendance of the members for the year 2023-24 is as under:

Name of Director	Position	Date of Committee Meetings					Held during tenure	Attended	Percentage of Attendance
		27.04.23	23.06.23	06.07.23	07.07.23	22.02.24			
Mr. Shrikant Himatsingka	Chairperson	√	√	√	√	LOA	5	4	80%
Mr. Harminder Sahni	Member	√	√	√	√	√	5	5	100%
Mr. Shanmugasundaram	Member	√	√	√	LOA	√	5	4	80%

√- Attended; LOA- Leave of absence

The committee meets at regular intervals to review and approve matters delegated by the Board.

Resolution by Circulation:

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

4) SENIOR MANAGEMENT

Details of Senior Management including changes therein during FY 2023-24 are provided below:

Name	Designation
Akanksha Himatsingka	CEO – Home Textile Solutions
M. Sankaranarayanan^	President – Finance & Group CFO
Major (Retd.) Kumud Kumar	President – Human Resources & Group CHRO
Manu Kapur	President – Business Development (Group)
Brian Delp	President – Sales & Global Licensing (North America)
Ganapathy C. B.	President – Corporate Affairs & Group General Counsel
Jayshree Poddar	Creative Head – Design
Hemant Khandelwal	Executive Vice President & Campus Head – Manufacturing Operations (Hassan)
Lakshman	Senior Vice President – Sourcing & Logistics (Group)
Maria Alapatt	Vice President – Design & Marketing
Bindu D.#	Assistant General Manager – Corporate Compliance & Company Secretary

^ M. Sankaranarayanan was appointed as Chief Financial Officer of the Company w.e.f. August 17, 2023
# Bindu D. was appointed as Company Secretary & Compliance Officer of the Company w.e.f. February 3, 2024
* M. Sridhar ceased to be Company Secretary & Compliance Officer of the Company w.e.f. February 2, 2024.

5) GENERAL BODY MEETINGS

The last three Annual General Meetings ("AGM") of the Company were held through Video Conferencing ("VC")/ Other Audio-Visual Mode ("OAVM") facility on the following dates and time:

Date*	Year	Time	Special Resolutions passed
September 28, 2023	2022-23	12:00 p.m.	1. Payment of Remuneration to Non-Executive Directors.
September 28, 2022	2021-22	11:00 a.m.	NA
August 28,2021	2020-21	11.30 a.m.	1. Re-appointment of Mrs. Sangeeta Kulkarni (DIN: 01690333) Director for the Second Term of 5 (Five) years 2. Change in Designation of Mr. V Vasudevan (DIN: 07521742) from Whole Time Director to Non-Executive Director 3. Change in Designation of Mrs. Akanksha Himatsingka to CEO – International Operations (Home Textiles) 4. Issue of Securities including Foreign Currency Convertible Bonds and Unsecured/ Secured Redeemable Non Convertible Debentures with or without Warrants

*The abovementioned AGMs were deemed to be held at the Registered Office of the Company i.e. 10/24, KumaraKrupa Road, High Grounds, Bangalore- 560001

Postal Ballot

During the year, the following resolutions were passed by the Shareholders through Postal Ballot:

1) Postal Ballot Notice dated May 30, 2023:

Type of Resolution	Resolutions	Voting Results	
		Votes cast in favour	Votes cast against
Special Resolution	Re-appointment of Mr. Dinesh Kumar Himatsingka (DIN: 00139516) as Executive Chairman	99.92%	0.08%
Special Resolution	Payment of remuneration to Mr. Dinesh Kumar Himatsingka (DIN:00139516) as Executive Chairman	99.47%	0.53%
Special Resolution	Re-appointment of Mr. Shrikant Himatsingka (DIN: 00122103) designated as Executive Vice Chairman & Managing Director	99.92%	0.08%
Special Resolution	Payment of remuneration to Mr. Shrikant Himatsingka (DIN: 00122103) designated as Executive Vice Chairman & Managing Director of the Company	99.47%	0.53%
Special Resolution	Appointment of Mr. Shyam Powar (DIN: 01679598) as an Independent Director of the company	99.97%	0.03%

The Board had appointed Mr. Prakash Kamath, a Practicing Company Secretary, (M. No: A10807), failing him Mr. Pramod S, Practicing Company Secretary (M. No: A36020) to act as the Scrutinizer for the Postal Ballot process.

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

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

2) Postal Ballot Notice dated January 25, 2024:

Type of Resolution	Resolutions	Voting Results	
		Votes cast in favour	Votes cast against
Special Resolution	Raising of funds by way of a Qualified Institutions Placement	99.67%	0.33%
Ordinary Resolution	Increase in authorized share capital	99.89%	0.10%
Ordinary Resolution	Alteration in capital clause of the memorandum of association of the company	99.89%	0.10%
Special Resolution	Appointment of Mr. Ravi Kumar (DIN: 02362615) as a non-executive independent director of the company	99.98%	0.01%

The Board had appointed CS Pramod S, Practicing Company Secretary (Membership Number: A36020 and COP: 13335), failing which CS Shreyas Dwaraki, Practicing Company Secretary (Membership Number: F11953 and COP: 26529) to act as the Scrutinizer for conducting the postal ballot exercise (e-voting process) in a fair and transparent manner.

In compliance with Circulars issued by the Ministry of Corporate Affairs, the Postal Ballot Notice dated May 30, 2023 was being sent through electronic mode to those members whose names appeared in the Register of Members/ List of Beneficial Owners and whose e-mail addresses are registered with the Registrar and Share Transfer Agent of the Company i.e. KFin Technologies Limited and the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited as on the cut-off date i.e. Friday, January 26, 2024.

The voting period commenced on Thursday, February 01, 2024 at 9:00 A.M. (IST) and ended on Friday, March 01, 2024 at 5:00 P.M. (IST). The above resolutions were passed by requisite majority on March 01, 2024.

Further, as on date of this report, no Resolutions are proposed to be passed through postal ballot.

6) MEANS OF COMMUNICATION

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

7) CODE FOR PREVENTION OF INSIDER TRADING

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

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

8) CEO/CFO CERTIFICATION

Pursuant to regulations 17(8) and 33 and Schedule II Part B of Listing Regulations, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company are required to provide quarterly and annual certification of the financial statements to the Board. The Executive Vice Chairman & Managing Director and CFO have furnished the requisite certificate.

9) RECONCILIATION OF SHARE CAPITAL AUDIT

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

10) COMPLIANCE CERTIFICATE

a) The certificate regarding compliance of the conditions of corporate governance obtained from Pramod S, Practicing Company Secretary (Membership Number: A36020 and COP: 13335), as stipulated under Schedule V(E) of the Listing Regulations is attached as ***Annexure 7*** to the Board's Report.

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

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

The details of total fees paid during the year 2023-24, to MSKA & Associates, Chartered Accountants, Statutory Auditors of the Company, for all services availed by the Company and its subsidiaries, on a consolidated basis, and all entities in the network firm/ network entity of which the statutory auditor is a part are enumerated below:

(₹ in Lacs)

Sl. No	Name of the Company	Nature of Services	Amount paid
1.	Himatsingka Seide Limited	Statutory Audit Fees	57.00
2.	Himatsingka Seide Limited	Certification fees	6.00
3.	Himatsingka Wovens Private Limited	Statutory Audit Fees	1.00
4.	Himatsingka America Inc.	Statutory Audit Fees	10.00
5.	Entities in the network firm/network entity of which the statutory auditor is a part	NA	0.00
	Total		**74.00**

12) COMPLIANCE OFFICER

The name and designation of the Compliance Officer of the Company:

Ms. Bindu D., Assistant General Manager – Corporate Compliance & Company Secretary; Contact details: T: +91 80 42578000; F: +91 80 4147 9384; E: investors@himatsingka.com

13) DISCLOSURES

i) Subsidiary Companies

As on March 31, 2024, the Company had the following subsidiaries:

Name of Subsidiaries	Wholly owned Subsidiary	Material Subsidiary	Step down Subsidiary
Himatsingka Wovens Private Limited	√	–	–
Himatsingka Holdings NA Inc.	√	√	–
Himatsingka America Inc.*	√	√	√

*Wholly owned Subsidiary of Himatsingka Holdings NA Inc.

Mr. Harminder Sahni, Non-Executive Independent Director, is a director on the Board of Himatsingka Holdings NA Inc. and Himatsingka America Inc, and the same is in compliance with the provisions of regulation 24 of the Listing Regulations.

The Audit Committee of the Company reviews the financial statements and in particular the investments made by unlisted subsidiaries of the Company.

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

Details regarding material Subsidiaries:

Name of material subsidiary	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
Himatsingka Holdings NA Inc.	April 20, 2004	United States of America	T. Ramachandran & Co., Chartered Accountants	April 03, 2024
Himatsingka America Inc.	August 1, 2015	United States of America	MSKA & Associates, Chartered Accountants	November 07, 2023

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

ii) Related party transactions

The statutory disclosure requirements relating to related party transactions have been complied within the Annual Accounts. There were no material transactions during the year 2023-24 that are prejudicial to the interest of the Company.

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

iii) **Disclosure of Accounting Treatment**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind- AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Companies Act, 2013.

iv) **Whistle Blower Policy**

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

During the year, no grievance has been reported to the Audit Committee.

v) **Sexual Harassment of Women at Workplace**

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

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

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) number of complaints filed during the financial year – 0

b) number of complaints disposed of during the financial year – 0

c) number of complaints pending as on end of the financial year – 0

vi) **Board Disclosures – Risk Management**

The risk assessment and minimization procedures are in place and the Board is regularly informed of the business risks and the steps taken to mitigate the same. A report on Risk Management is included in the Management Discussion & Analysis section of the Annual Report.

vii) **Credit Rating:**

During the year, CRISIL vide its letter dated November 16, 2023 has reviewed and issued the credit rating for the debt instruments/ facilities of the Company as given below:

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

The aforementioned rating can be accessed on the website of the Company:
https://www.himatsingka.com/investors/financial-reports?tab=credit_rating_tab

viii) **Issuer Rating:**

CARE Ratings Limited vide its letter dated October 16, 2023 has assigned an Issuer Rating to the Company as per details given below:

Name of the Agency	Type of Rating	Rating
CARE Ratings Limited	Issuer Rating	CARE BBB+; Stable/ CARE A2

The aforementioned rating can be accessed on the website of the Company:
https://www.himatsingka.com/investors/notifications?tab=tab5

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

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

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

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

xii) **Statutory Compliance, Penalties and Strictures**

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

However, during 2023-24, pursuant to the nomination of Mr. Manish Krishnarao Joshi as a nominee director on the Board of the Company w.e.f. March 9, 2023 by Exim fine was levied by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in respect of non- compliance with regard to composition of the Board under Regulation 17(1) of Listing Regulations for the quarter ended March 2023 and June 2023 of an amount of Rs. 6.60 lacs each. The fine has been duly paid by the Company. Subsequently, Exim withdrew the nomination of Mr. Manish Krishnarao Joshi as a Nominee Director from the Board of the Company w.e.f. June 28, 2023. Henceforth, Company is in compliance with the provisions of Regulation 17(1) of Listing Regulations.

The Company had also filed the waiver applications contending the time limit available to the Company for appointment of additional Independent Director necessitated by nomination of Manish K. Joshi on the Board. BSE vide its e-mail dated June 24, 2024, had partially waive the fine amount of Rs. 1.82 lacs for the quarter ended June 2023.

There were no other penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets.

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

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

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

14) GENERAL CORPORATE AND SHAREHOLDER INFORMATION:

Date of Incorporation	January 23, 1985
Registered Address	10/24, Kumarakrupa Road, High Grounds, Bengaluru-560 001
Corporate Identification Number (CIN)	L17112KA1985PLC006647
Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400 051
Stock Exchange Code	BSE: 514043 NSE: HIMATSEIDE
Listing Fees	Paid to BSE and NSE for 2024-25
Custodial Fees	Central Depository Services (India) Limited. paid for the year 2024-25 National Securities Depository Limited one-time fees paid. ISIN: INE049A01027
Annual General Meeting	Friday, September 27, 2024 at 12:10 p.m. (IST)
Financial year	1st April to 31st March
Financial Calendar	Board Meetings for approval of financial results and annual accounts: Q1 2024-25: August 3, 2024 Q2 2024-25: October – November 14, 2024 Q3 2024-25: January – February 14, 2025 Q4 2024-25: April – May 30, 2025
Date of Book Closure	Saturday, September 21, 2024 till Friday, September 27, 2024 (Both days inclusive)
Stock Split	1 equity share of Rs. 10/- each split into 2 equity shares of Rs. 5/- each in October 2005.

Bonus History	Year 1994 – 1:2 Year 1999 – 1:1 Year 2005 – 1:1
Dividend payment date	On or before Saturday, October 26, 2024
Share Registrar and Transfer Agents	KFin Technologies Limited Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India -500032 T: +91 40 6716 2222, 3321 1000; F: +91 40 23001153; E: einward.ris@kfintech.com
Investors' correspondence may be addressed to	Ms. Bindu D. Assistant General Manager – Corporate Compliance & Company Secretary Himatsingka Seide Limited, 10/24, KumaraKrupa Road, High Grounds, Bengaluru-560 001. T: +91 80 4257 8000; F: +91 80 4147 9384; E: investors@himatsingka.com CIN: L17112KA1985PLC006647
Outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any Convertible instruments, conversion date and likely impact on equity	During the year, Company has issued and allotted 12,500 Foreign Currency Convertible Bonds (FCCBs) with a face value of USD 1000 each, aggregating to USD 12,500,000 to International Finance Corporation (IFC) in two tranches. The FCCBs are convertible into Equity Shares, at the option of IFC at a price of Rs.165/- per share, subject to adjustments as per the terms of FCCB Agreement. Upon conversion, Equity Shares shall rank Pari Passu with the existing equity shares and shall be listed on BSE Limited and National Stock Exchange of India Limited.

15) UNCLAIMED DIVIDENDS

Pursuant to Section 125 of the Companies Act, 2013, dividends that are unpaid/ unclaimed for a period of 7 (Seven) years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF/ Fund). Given below are the dates of declaration of dividend and corresponding cut-off dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Year	Type of Dividend	Dividend per share (₹)	Date of declaration of Dividend	Cut-off date for transfer to IEPF
2017	Final dividend	2.50	September 23, 2017	October 29, 2024
2018	Final dividend	2.50	September 22, 2018	October 28, 2025
2019	Final dividend	5.00	September 24, 2019	October 30, 2026
2020	Final dividend	0.50	September 29, 2020	November 04, 2027
2021	Final dividend	0.50	August 28, 2021	October 03, 2028
2022	Final dividend	0.50	September 28, 2022	November 03, 2029
2023	Final dividend	Nil	NA	NA

Members who have till date not encashed their dividend warrants are requested to write to the Company/KFin Technologies Limited, RTA to claim the same, on or before cut-off dates given above,to avoid transfer of dividend to IEPF. Members are advised that claims shall not lie against the Company for the amounts of dividend so transferred to the said Fund.

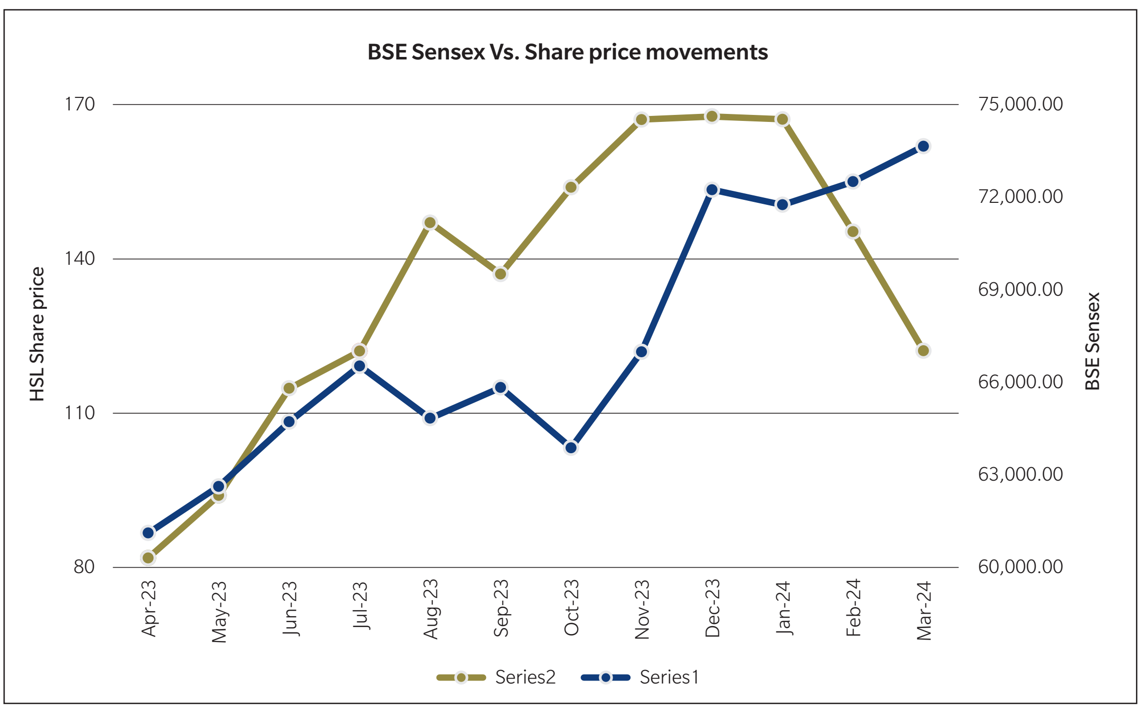
16) INFORMATION ON LISTED EQUITY SHARES

i) Share Price

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

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-23	84.43	70.52	3,39,026	84.65	70.15	43,24,902
May-23	94.80	80.51	10,03,244	94.80	81.70	1,62,71,734
Jun-23	121.00	95.03	26,75,611	121.00	94.80	2,71,80,928
Jul-23	136.15	115.10	12,49,403	136.00	115.15	1,72,33,948
Aug-23	159.80	120.85	15,09,763	159.80	120.80	2,35,71,217
Sep-23	161.95	135.55	8,32,312	162.05	135.50	1,30,66,873
Oct-23	156.60	127.30	9,08,092	156.80	127.40	1,43,17,112
Nov-23	183.95	142.25	32,79,912	183.95	142.00	3,21,16,963
Dec-23	186.60	161.85	12,39,819	187.95	161.70	1,31,23,179
Jan-24	175.70	147.70	9,21,003	175.80	148.15	84,40,908
Feb-24	177.45	144.25	12,01,041	178.00	144.10	1,17,59,328
Mar-24	147.80	116.00	10,21,141	148.00	114.50	88,08,506
Total			**1,61,80,367**	**Total**		**19,02,15,598**

ii) Share Price Movement



iii) Distribution of shareholding as on March 31, 2024

No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	49,118	90.51	88,96,658	9.04
5001-10000	2,524	4.65	38,44,170	3.90
10001-20000	1,226	2.26	35,84,177	3.64
20001-30000	499	0.92	25,02,685	2.54
30001-40000	198	0.36	14,14,323	1.44
40001-50000	193	0.36	18,23,562	1.85
50001-100000	259	0.48	37,51,119	3.81
100001& above	251	0.46	7,26,40,466	73.78
Total	**54,268**	**100.00**	**9,84,57,160**	**100.00**

iv) Shareholding Pattern as on March 31, 2024

Particulars	Physical Holding	Electronic Holding	Total Holdings	%
Individual Promoters	0	2,65,84,024	2,65,84,024	27.00
Promoters Bodies Corporate	0	2,02,50,568	2,02,50,568	20.57
Mutual Fund	0	9,02,856	9,02,856	0.92
Banks & Insurance Companies	2,000	70,885	72,885	0.07
NBFC	0	5,500	5,500	0.01
Foreign Portfolio Investors	0	39,24,537	39,24,537	3.99
Foreign Institutional Investors	400	0	400	0.00
IEPF	0	3,44,375	3,44,375	0.35
Resident Individuals	3,04,503	3,70,80,568	3,73,85,071	37.97
Non-Resident Indians	93,340	15,59,018	16,52,358	1.68
Non-Resident Indian Non Repatriable	0	7,25,042	7,25,042	0.74
Foreign Nationals	0	6,000	6,000	0.01
Bodies Corporate	6,900	42,01,944	42,08,844	4.27
Clearing Members	0	2,463	2,463	0.00
HUF	0	13,90,890	13,90,890	1.41
Trusts	0	10,01,347	10,01,347	1.02
Total	**4,07,143**	**9,80,50,017**	**9,84,57,160**	**100.00**
%	0.41	99.59	100.00	

v) Dematerialization of shares and liquidity

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

As on March 31, 2024, 99.59% of the Company's share capital is in Demat form and the rest is in Physical form. The equity shares of the Company are regularly traded on the National Stock Exchange and Bombay Stock Exchange.

Shares held in Demat and Physical mode as on March 31, 2024:

Category	Number of		% to total equity
Demat	Shareholders	Shares	
NSDL	23,915	8,16,23,682	82.91
CDSL	30,109	1,64,26,335	16.68
Total	**54,024**	**9,80,50,017**	**99.59**
Physical	244	4,07,143	0.41
Grand Total	**54,268**	**9,84,57,160**	**100.00**

17) PLANT LOCATIONS

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

18) SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE

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

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

A report on Risk Management is included in the Management Discussion & Analysis section of the Annual Report.

20) OTHER INFORMATION TO SHAREHOLDERS

- Equity shares of the Company are under compulsory demat trading by all investors, with effect from March 21, 2000. Considering the advantages of scripless trading, shareholders are requested in their own interest to consider de-materalisation of their shareholding so as to avoid inconvenience in future.
- Shareholders/Beneficial Owners are requested to quote their Registered Folio No./DP & Client ID Nos. as the case may be, in all correspondence with the RTA/ Company. Company has also designated an exclusive E-mail ID: investors@himatsingka.com for effective investors' services where they can complain/ raise query and request for speedy and prompt redressal.
- Shareholders holding shares in physical form are requested to notify to the RTA/ Company, change in their address/ Pin Code number with proof of address and Bank Account details promptly by sending duly filled in Form ISR-1 alongwith the supporting documents.
- Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, bank details, nomination, power of attorney, etc., directly to their Depository Participants only.
- Non-resident members are requested to immediately notify the following to the Company in respect of shares held in physical form and to their Depository Participants in respect of shares held in dematerialized form:
  - Indian address for sending all communications, if not provided so far;
  - Change in their residential status on return to India for permanent settlement;
  - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
  - E-mail ID and Fax No.(s), if any
- In case of loss/ misplacement of shares, investors should immediately lodge FIR/Complaint with the Police and inform to the Company along with original or certified copy of FIR/ Acknowledged copy of the Police complaint.
- For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
- Shareholders are requested to record their specimen signature before lodgement of shares with the Company to obviate the possibility of difference in signature at a later date.
- Shareholders of the Company, who have multiple accounts in identical names(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s), are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

- Section 72 of the Act extends nomination facility to individuals holding shares in physical form in Companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.
- Shareholders are requested to give their valuable suggestions for improvement of the Company's investor services.

21) MANDATORY/NON-MANDATORY REQUIREMENTS

The Company has complied with the requirements as laid down in Regulations 17 to 27, Schedule V under Regulation 34(3) and requirements we state that 46 of the Listing Regulations for the purpose of Corporate Governance. With regard to the disclosure of non-mandatory requirements we state that the Company's Chairman is an Executive Director. The Chairman is not the Managing Director/ Chief Executive Officer. The Internal Auditors report directly to the Audit Committee.

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

Place : Bengaluru
Date : September 03, 2024

Shrikant Himatsingka
Executive Vice Chairman &
Managing Director
DIN: 00122103

Dinesh Kumar Himatsingka
Executive Chairman
DIN: 00139516

DECLARATION ON CODE OF CONDUCT

As provided under Schedule V(D) of the Listing Regulations, the Board of Directors and Senior Management Personnel have affirmed compliance with Himatsingka Seide Limited Code of Conduct for the year ended March 31, 2024.

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

Place : Bengaluru
Date : September 03, 2024

Shrikant Himatsingka
Executive Vice Chairman &
Managing Director
DIN: 00122103

Dinesh Kumar Himatsingka
Executive Chairman
DIN: 00139516

ANNEXURE – A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Companies Act, 2013.

My responsibility is to express an opinion on these based on my verification. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN
1.	Dinesh Kumar Himatsingka	00139516
2.	Shrikant Himatsingka	00122103
3.	Selvam Shanmugasundaram	09816120
4.	Harminder Sahni	00576755
5.	Sandhya Vasudevan	00372405
6.	Shyam Powar	01679598
7.	Ravi Kumar	02362615
8.	Manish Krishnarao Joshi	06532127

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

Place: Bengaluru
Date : May 22, 2024

Vivek Manjunath Bhat
Practicing Company Secretary
Membership Number: F7708
COP: 8426
PR No: 1482/2021
UDIN: F007708F000426610

Business Responsibility & Sustainability Reporting (BRSR)

SECTION A: GENERAL DISCLOSURES

1. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the Listed Entity	L17112KA1985PLC006647
2.	Name of the Listed Entity	Himatsingka Seide Limited
3.	Year of incorporation	1985
4.	Registered office address	#10/24, Kumarakrupa Road, High Grounds, Bengaluru-560 001
5.	Corporate address	#10/24, Kumarakrupa Road, High Grounds, Bengaluru-560 001
6.	E-mail	investors@himatsingka.com
7.	Telephone	91-80-42578000
8.	Website	http://www.himatsingka.com/
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited BSE Limited
11.	Paid-up Capital	₹ 49.23 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Bindu D. Company Secretary, Himatsingka Seide Limited, 10/24, Kumarakrupa Road, High Grounds, Bengaluru-560 001. Telephone: +91 80 2237 8000; Fax: +91 80 4147 9384; Email: investors@himatsingka.com
13.	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

2 PRODUCTS / SERVICES

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

Sl. No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Home Linens	Home Textile – Manufacturing	97%

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

Sl. No.	Product/ Service	NIC Code	% of total turnover contributed
1.	Home Linens	131,139	97%

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

Location	Number of plants	Number of offices	Total
National	4	2	6
International	0	3	3

5. MARKETS SERVED BY THE ENTITY:

a) Number of locations

Locations	Number
National (No. of States)	29
International (No. of Countries)	35

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

Export Revenue (sale of products) – ₹ 225007.54 lacs representing 97.83% of total revenue.

c) A brief on types of customers

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

Our clients cater to a diverse cross section of consumers and hence our product portfolio is in keeping with the demand of millions of consumers across major international markets. Himatsingka brings to consumers an unparalleled suite of products and technology led solutions that cater to dynamic consumer preferences globally. Himatsingka caters to a broad cross section of global clients across 35 countries. Our global client base includes regional retail majors as well as institutions and small client groups. Our clients are present across retail formats including Department Stores, Specialty Stores, Hypermarkets, Retail Clubs, multi brand outlets and dot com platforms.

6. EMPLOYEES

Details as at the end of the Financial Year:

a) Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	871	771	89%	100	11%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	871	771	89%	100	11%
	WORKERS					
4.	Permanent (F)	6255	3984	64%	2271	36%
5.	Other than Permanent (G)	1135	859	76%	276	24%
6.	Total workers (F + G)	7390	4843	66%	2547	34%

b) Differently–abled Employees and workers

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	22	15	68.18%	7	31.82%
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	22	15	68.18%	7	31.82

7. PARTICIPATION/INCLUSION/REPRESENTATION OF WOMEN

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	4	1	25%

8. TURNOVER RATE FOR PERMANENT EMPLOYEES AND WORKERS

	FY 2023–24			FY 2022–23			FY 2021–22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	10%	21%	17%	6%	23%	25.69%	1%	26.69%
Permanent Workers	15.55%	20.95%	36.5%	37.50%	16%	53.50%	87.75%	29.25%	117%

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

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

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

*During the quarter ended June 30, 2024, the Company has invested in 26% of the paid-up capital of AMP Energy C&I Twenty-Four Private Limited, resulting in it being an associate of the Company.

Twill & Oxford LLC, based in UAE was voluntarily liquidated.

10. CSR DETAILS

i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes

ii) Turnover (2023-24) (in ₹) – 254910.19 Lacs

iii) Net worth (2023-24) (in ₹) – 178539.23 Lacs

11. TRANSPARENCY AND DISCLOSURES COMPLIANCES –

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

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

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

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

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

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes / No)	FY 2023-24 Current Financial Year			FY 2022-2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes* Human Resource Internal Grievance Committee https://www.himatsingka.com/investors/ corporate governance	–	–	–	–	–	–
Investors (other than shareholders)	Yes** Head Investor Relations https://www.himatsingka.com/investors/ corporate governance	–	–	–	–	–	–
Shareholders	Yes*** Company Secretary & Compliance Officer https://www.himatsingka.com/investors/ corporate governance	63	0	All the complaints were attended and resolved	107	0	All the complaints were attended and resolved
Employees and workers	Yes# Human Resource Business Partners https://www.himatsingka.com/investors/ corporate governance	–	–	–	–	–	–
Customers	Yes^ Marketing department https://www.himatsingka.com/investors/ corporate governance	5	0	All the complaints were attended and resolved.	–	–	–
Value Chain Partners	Yes^^ Suppliers – Central procurement SPOC Channel Partners – Sales Brand Manager https://www.himatsingka.com/investors/ corporate governance	–	–	–	–	–	–

***Communities** – Any grievances from community are resolved by the HR personnel at Hassan. Appropriate actions are taken to resolve the concerns. Any escalation is referred to the HR Head (Hassan) who in turn addresses it, after consulting the internal stakeholders. Further escalations are referred to the Internal Grievance Committee.

****Investors (other than shareholders)** – The Treasury team resolves investors' concerns or issues. Quarterly investors calls are arranged at the time of publication of quarterly results and the Investors interact with the management on the results or any other issues thereon. Escalations are taken up with the Senior Management.

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

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

^Customers – The Global Sales & Marketing ('GSM') team lead attends to the complaints and provides requisite solution. In case of escalation, the Head of the Department / Business Head intervene in the matter for resolution.

^^Value Chain Partners – The sourcing team attends the first level of the grievances, however, in case of escalation, the Sourcing Head resolves the issue.

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

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

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

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Emissions and Air Quality	Opportunity	•Utilize natural resources in the form of renewable energy to reduce the energy consumption. • Changes in existing regulations / emerging regulations impacting emissions & Energy Management	We are actively reducing our carbon footprint by adopting cleaner processes, while increasing energy and resource efficiencies.	Positive
2.	Water Stewardship	Opportunity	Cost-Reduction through efficient Water Conservation measures	Himatsingka operates best-in-class Zero Liquid Discharge (ZLD) water management plants across all its manufacturing facilities. Our water management facilities maximize water re-cycling using advanced technology platforms. In addition we take several measures in water harvesting and rejuvenation of water sources.	Positive
3.	Energy Efficiency	Opportunity	• Lower Carbon Footprint • Cost-Reduction- • Usage of Renewable energy sources	– HSL is consistently enhancing energy efficiencies by leveraging its advanced and digitized – We continue to increase the share of renewable energy to further our climate goals.	Positive

4.	Waste Management	Opportunity	• Environmental pollution. • Cost-Reduction through recycling	Himatsingka is leading the way in reducing waste by operating a zero-paper shop floor, reducing the use of plastics, introducing sustainable packaging solutions and reusing waste. Our 'conscious portfolio' innovatively uses recycled fibers, natural finishes and reduced water consumption in the manufacturing process.	Positive
5.	Occupational health and safety	Risk	• Accidents involving significant injuries, loss of life or damage to equipment/ facilities.	Regular training programmes and employee workshops are consistently conducted to communicate safety protocols and requirements. In addition our plants are subject to various audits and are certified by various bodies to ensure best in class adherence to occupational health and safety standards.	Negative
6.	Client and market concentration	Risk & Opportunity	Concentration of revenue streams from a few large clients and markets.	HSL is constantly diversifying its market presence and broad basing it global client base in order to de-risk revenue streams. Currently North America is the largest market for HSL. However our increasing presence in other regions such as the UK, EMEA, India and the Asia Pacific will aid in broad basing revenue streams and diversifying risk.	Positive
7.	Business Ethics and Integrity	Opportunity	• New and changing regulatory compliance, corporate governance and public disclosure requirements ensure compliance of policies	Himatsingka endeavors to achieve the highest standards of ethical conduct and compliance across all its businesses and facilities. With exacting policies, industry leading training programs, internal monitoring and auditing systems, we are equipped to provide our businesses with the requisite frameworks that ensure a high degree of ethics and integrity in the daily conduct of our business.	Positive
8.	Employee Development & Engagement	Opportunity	• Attracting and retaining talent could affect the organization's ability to meet its growth aspirations.	All HR policies are benchmarked with the industry best practices. Employee surveys are regularly carried out. Trainings are provided to employees based on a training calendar.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available**	https://www.himatsingka.com/investors/corporate-governance The links above include various policies that cover the above principles. Some policies are internal policies of the Company which are accessible to all internal stakeholders								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No, the policies have been formally communicated to all relevant internal and external stakeholders								
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.									
Principle 1	The manufacturing locations are certified for requirements under Fairtrade, ISO 14001 (environment management system) and OHSAS 18001 (Occupational Health and Safety System).								
Principle 2									
Principle 3									
Principle 4									
Principle 5									
Principle 6									
Principle 7									
Principle 8									
Principle 9									
5. Specific commitments, and targets set by the entity with defined timelines, if any.	**SUSTAINABILITY GOALS** • 100% Renewable Energy by 2030 (75% by 2025) • Operate Zero land fill by 2030 • Zero Liquid Discharge (ZLD) Water Management Plants across Manufacturing Facilities.								
6. Performance of the entity against the specific commitments, goals and targets along–with reasons in case the same are not met.	• The company successfully operates Zero Liquid Discharge (ZLD) Water Management Plants across Manufacturing Facilities – All our manufacturing facilities are ZLD compliant – Scope 1 and Scope 2 , goals have been identified and the roadmap along with action plan has been put in place. Scope 3, goals and targets are yet to be assessed and envisaged to be in place by end of FY-24-25. • 100% Renewable Energy by 2030 (75% by 2025) . – The Company has a target to achieve 30% of the goal. The roadmap for implementation is in place. • Operate Zero Liquid Discharge (ZLD) Water Management Plants across Manufacturing Facilities – All our manufacturing facilities are ZLD compliant.								
Governance, leadership and oversight									

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

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

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

Embracing sustainability is at the core of our business and we are committed to taking every measure that will help make us be a more sustainable global enterprise.

ENVIRONMENT

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

SOCIAL

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

GOVERNANCE

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

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

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Mr. S. Shanmugasundaram, Executive Director DIN: 09816120
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Company entrusts its Executive Directors with the responsibility of overseeing the implementation of policies. They conduct joint assessments to thoroughly examine environmental and social issues and their potential impact on the business. Based on these assessments, they chart a course of action to effectively deal with the identified challenges.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The BRSR performance of the Company under various principles is assessed annually or as and when required by the Executive Directors and/ or functional heads.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes																	

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

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

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

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

Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/ Fine	1	BSE Limited; National Stock Exchange Limited	6.6 lac to each exchange	The brief of the case is stated in the Board's Report under the head Auditors and Auditors Report – Secretarial Audit	Yes.
Settlement	NIL				
Compounding fee					

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

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
The brief of the appeal is stated in the Board's Report under the head Auditors and Auditors Report – Secretarial Audit	

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

The Company's Code of Conduct and Ethics Policy lists out the do's and dont's and gives a guidance for ethics and adherence to Himatsingka Core Values. The code also enlists the procedures for deviations under the code. The Policy is applicable to all the employees and extends to the Himatsingka Group Companies. The policy is available on the link https://www.himatsingka.com/investors/corporate-governance

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

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

	FY 2023–24 Current Financial Year		FY 2022–23 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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

Not applicable

8) Number of Days of accounts payable ((Accounts payable*365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of Days of accounts payable	156	131

9) Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along–with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024 (Current Financial Year)	FY (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	49.68%	65.08%
	b. Number of trading houses where purchases are made from	314	339
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	85.77%	69.60%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	1.27%	0.41%
	b. Number of dealers/ distributors to whom sales are made	138	119
	c. Sales to top 10 dealers /distributors as % of total sales to dealers / distributors	78.03%	54.19%
Share of RPTs in	a. Purchase (Purchases with related Parties / total purchases)	11.88%	0.00%
	b. Sales (Sales to related parties/ Total Sales)	55.39%	58.15%
	c. Loans & advances (Loans & Advances given to related parties/ Total Loans & advances)	0.00%	0.00%
	d. Investments (Investments in related parties/ Total investments made)	1.72%	0.00%

Leadership Indicators

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

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

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

Yes. The Company's Code of Conduct and Business Responsibility Policy requires Board members to disclose any potential conflicts of interest in relation to Related Party Transactions (RPTs), reinforcing transparency and accountability. In compliance with the provisions of Companies Act, 2013 & Regulation 23 of the Listing Regulations, the Audit Committee manages and oversees all RPTs, applying specific criteria to ensure transparency and prevent conflicts of interest. The Board of Directors periodically reviews the policy to maintain strict compliance and governance integrity

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

Essential Indicators

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

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	–	–	–
Capex – 1.7 Cr	Operation optimization of installed MBR new technology at our manufacturing facilities led to reduction of energy consumption and More water recovery by 11%	–	Fresh water saving by increasing recovery rate in R.O, MEE and VTFD. 99% Recovered water used for production activity and achieved ZLD System. Implemented sludge and salt drying system to reduce disposal cost.
8.78 Cr	Installation of New TFO for Less m/c Energy consumption.	–	Less m/c Energy consumption
	Installation of New TFO for Less air consumption to reduce specific Power consumption	–	Reduced specific Power consumption

*MBR – Membrane Bioreactors
MEE – Multi effect evaporator
ATFD – Agitated Thin Film Dryer
TFO – Two for One

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

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

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

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

Not Applicable. As the company is in textile Industry, the company does not reclaim any of its products.

a) Reduction in plastic packaging by 30%. The outer packaging plastic envelope for the product package is substituted by the usage of product fabric leftover cut pieces.

b), c), d): e–waste & other waste generation in textile industry is very less and the same is collected and disposed through authorized disposal agency approved by Karnataka State Pollution Control Board ("KSPCB").

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

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

Not Applicable

Leadership Indicators

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

Not Applicable. The company has not conducted LCA

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

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

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

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

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

Indicate input material	Recycled or re–used input material to total material	
	FY 2023–24 Current Financial Year	FY 2021–22 Previous Financial Year
Not Applicable		

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

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

	FY 2023–24 Current Financial Year			FY 2022–23 Previous Financial Year		
	Re–Used	Recycled	Safely Disposed	Re–Used	Recycled	Safely Disposed
Plastics (including packaging)	–	–	45.2	–	–	39.2
E-waste	–	–	2.68	–	–	0.640
Hazardous waste	–	–	4022	–	–	3319
Other Waste	–	1920	–	–	1215	–

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

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

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

Essential Indicators

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

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	771	771	100	771	100	NA	NA	NA	NA	771	100
Female	100	100	100	100	100	100	100	NA	NA	100	100
Total	**871**	**871**	**100**	**871**	**100**	**100**	**100**	**NA**	**NA**	**871**	**100**
Other than Permanent employees											
Male	Nil										
Female											
Total											

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

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	3984	3984	100%	3984	100%	NA	NA	NA	NA	3984	100%
Female	2271	2271	100%	2271	100%	2271	100%	NA	NA	2271	100%
Total	**6255**	**6255**	**100%**	**6255**	**100%**	**2271**	**100%**	**NA**	**NA**	**6255**	**100%**
Other than Permanent workers											
Male	859	859	100%	859	100%	NA	NA	NA	NA	859	100%
Female	276	276	100%	276	100%	276	100%	NA	NA	276	100%
Total	**1135**	**1135**	**100%**	**1135**	**100%**	**276**	**100%**	**NA**	**NA**	**1135**	**100%**

Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023–24 Current Financial Year	FY 2022–23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.79%	0.99%

2) Details of retirement benefits.

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	3.48%	99.07%	Yes	3.48%	98%	Yes
Others –Workmen Compensation	–	69 – 0.93% Covered under Workmen compensation	Not Applicable There is no deduction from the employees	–	107 – 1.57% Covered under Workmen compensation	Not Applicable There is no deduction from the employees

3) Accessibility of workplaces

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

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

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

The Company does not have a separate Human Rights Policy, its's Code of Conduct deliberates about Equal opportunity and Non-discrimination.

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

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

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	90%	80%
Total	100%	100%	90%	80%

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

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

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ Workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	871	0	0	815	0	0
– Male	771	0	0	726	0	0
– Female	100	0	0	89	0	0
Total Permanent Workers	6255	322	5%	6299	339	5%
– Male	3984	322	8%	4046	339	8%
– Female	2271	0	0	2253	0	0

8) Details of training given to employees and workers:

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

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. €	% (C/A)		No. €	% (E/D)	No. (F)	% (F/D)
Employees										
Male	771	771	100%	771	100%	726	726	100%	726	100%
Female	100	100	100%	100	100%	89	89	100%	89	100%
Total	871	871	100%	871	100%	815	815	100%	815	100%
Workers										
Male	4843	4843	100%	3803	78%	4949	4949	100%	3707	75%
Female	2547	2547	100%	2255	88%	2637	2637	100%	2253	85%
Total	**7390**	**7390**	**100%**	**6058**	**81%**	**7586**	**7586**	**100%**	**5960**	**79%**

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No (B)	% (B/A)	Total (A)	No (B)	% (B/A)
Employees						
Male	771	771	100%	726	623	86%
Female	100	100	100%	89	68	76%
Total	**871**	**871**	**100%**	**815**	**691**	**85%**
Workers						
Male	4843	4353	89%	4949	2970	60%
Female	2547	2153	84%	2637	1614	61%
Total	**7390**	**6506**	**88%**	**7586**	**4584**	**60%**

10) Health and safety management system:

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

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

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

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

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

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

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

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

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

Routine – "HIRA" Hazard identification and risk Assessment process enables to identify hazardous processes and the same are mitigated with appropriate checks and controls in place.

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

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

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

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

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

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

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

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

All employees have access to non–occupational medical and healthcare services. The Company has obtained Group medical insurance policy. All workers are covered by the Employees State Insurance Corporation scheme.

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

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	1.11	1.76
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

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

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

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

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

Particulars	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	28	NIL	–	35	NIL	–
Health & Safety	29	NIL	–	39	NIL	–

14) Assessments for the year

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

BSCI (Business Social Compliance Initiative) Audit and SEDEX (Supplier Ethical Data Exchange)

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

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

Machine Safety devices were deployed in different machines; Number of Fire safety devices were increased in different locations in the plant;

Leadership Indicators

1) Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/ No) (B) Workers (Yes/ No).

(A) & (B): Yes

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

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

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

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Employees	There were no high consequence work related injury / ill–health / fatalities at the plants/ facilities			
Workers				

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

No

5) Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed		
	Manpower Suppliers	**Supply Chain Partners**	**Material Partners**
Health and safety conditions	100%	70 – 80%	Under Process
Working Conditions	100%	70 – 80%	Under Process

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

None

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

Essential Indicators

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

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

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

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	• Quarterly investor presentations and conference calls • Investor conferences and meets • Press releases and newsletters • Annual shareholder meeting/ Postal Ballot • Email, SMS, Newspaper Advertisement	Annually/ Half yearly/ Quarterly/ Event based	General Meetings, Applicable provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015: Regulation 29 and 30 Intimations, IEPF, Dividend related, other investor grievances
Government/ Industry bodies, Regulators	No	• As may be required: one or two meetings • Participation in conference/ seminars • Working Committee meetings • Surveys, other meetings • Annual report • Communications with regulatory bodies • Formal dialogues	Annually/ Half yearly/ Quarterly/ As may be required	Regulatory compliance, corporate governance mechanisms, transparency in disclosures

Employees	No	• Employee newsletters • Intranet Portal • Cultural events • Trainings and performance management system • Functional and cross–functional committees • Emails, written communication	Event based/ As required	SAP introduction training, POSH Awareness Training Program, Himatsingka Wellness Programme – “Healthy You”, Insider Trading training, Trading Window Closures,
Community	Yes	• Community meetings, surveys and consultations • CSR interventions and initiatives • Awareness camps • Community development through various events	Frequent and as need based	Skill Training– Employment enhancing Vocational Skills
Customers	No	• Direct Consumer calls • Customer satisfaction surveys • Complaint handling & feedback • Marketing and Advertising • Electronic Communication	Frequent and as need based	Updating customers on new product launches; Understanding the customer requirements
Contractors and Suppliers	No	• Contractor and Supplier meets • Regular interaction through phone, e–mail and in person • Supplier Audits	Frequent and as need based	Business related discussions, awareness and training programmes, workshops and seminars, Sourcing requirements

Leadership Indicators

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

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

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

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

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

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

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

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

St. Johns Hospital Bangalore run by CBCI Society for Medical Education has commenced construction of St. Johns Geriatric Centre Project. The project encompasses construction of a proposed comprehensive centre for Care, Training and Research in Ageing and Geriatrics consisting of Ground + 6 Floors facility in Bangalore. The Company has pledged Rs 5 crores for the same with Rs 3.40 crores outlay already incurred towards completion of construction milestones.

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

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

The Company has also enrolled under "SAMARTH" scheme for Capacity Building in the Textiles Sector and around 359 employees have been trained and certified in this programme.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	871	871	100%	815	815	100%
Other than permanent	0	0	0%	0	0	0%
Total employees	**871**	**871**	**100%**	**815**	**815**	**100%**
Workers						
Permanent	6255	6255	100%	6299	6299	100%
Other than permanent	1135	1135	100%	1287	1287	100%
Total workers	**7390**	**7390**	**100%**	**7586**	**7586**	**100%**

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

Category	FY 23-24 Current Financial Year					FY 22-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**871**	**NA**	**NA**	**871**	**100%**	**815**	**NA**	**NA**	**815**	**100%**
Male	771	NA	NA	771	100%	726	NA	NA	726	100%
Female	100	NA	NA	100	100%	89	NA	NA	89	100%
Other than Permanent	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	**6255**	**6255**	**100%**	**NA**	**NA**	**6299**	**6299**	**100%**	**NA**	**NA**
Male	3984	3984	100%	NA	NA	4046	4046	100%	NA	NA
Female	2271	2271	100%	NA	NA	2253	2253	100%	NA	NA
Other than Permanent	**1135**	**1135**	**100%**	**NA**	**NA**	**1287**	**1287**	**100%**	**NA**	**NA**
Male	859	859	100%	NA	NA	903	903	100%	NA	NA
Female	276	276	100%	NA	NA	384	384	100%	NA	NA

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

Median remuneration /Wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	3	2,99,64,600 / PA	NA	NA
Key Managerial Personnel	1	2,50,00,000/ PA	1	38,00,000/ PA
Employees other than BoD and KMP	767	6,30,227 / PA	99	6,50,000 / PA
Workers	4843	2,44,728 / PA	2547	1,98,726 / PA

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY Current FY	Previous Financial Year
Gross wages paid to females as % of total wages	31%	31%

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

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

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

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

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

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

Grievance Redressal Mechanism:

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

Prevention of Sexual Harassment Policy (POSH):

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

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

Whistleblower Policy:

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

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

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	02	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	25	NIL	NIL	12	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7) Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format

	2023-24 Current Financial Year	2022-23 Previous Financial Year
Total Complaints reported under Sexual Harrsament on of women at Workplace (Prevention, prohibition and redressal) Act, 2013 (POSH)	NIL	02
Complaints on POSH as a % of Female employees/ workers	NIL	0.09%
Complaints on POSH Upheld	NIL	NIL

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

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

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

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

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

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

10) Assessments of the year

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

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

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

No significant risks reported in the assessment.

Leadership Indicators

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

None

2) Details of the scope and coverage of any Human rights due–diligence conducted

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

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

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

4) Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed		
	Manpower Suppliers	Supply Chain Partners	Material Partners
Sexual harassment	100%	70 – 80 %	Under Progress
Discrimination at workplace	100%	70 – 80 %	
Child labour	100%	70 – 80 %	
Forced/involuntary labour	100%	70 – 80 %	
Wages	100%	70 – 80 %	
Others – please specify	100%	70 – 80 %	

5) Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

None

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1) Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

In Kilojoule (KJ)

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	118382852220	62099310000
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	118382852220	62099310000
From non–renewable sources		
Total electricity consumption (D)	453674361878	510064908407
Total fuel consumption (E)	2001745571859	1280884033800
Energy consumption through other sources (F)	24763329500	13740963600
Total energy consumed from non–renewable sources (D+E+F)	2480183263237	1804689905807
Total energy consumed (A+B+C+D+E+F)	**2598566115457**	**1866789215807**
Energy intensity per rupee turnover (Total energy consumed/ revenue from operations)	101.9404550739	90.941290251
Energy intensity per rupee per turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ revenue from operations adjusted for PPP)	–	–
Energy intensity in terms of physical output	–	–
Energy intensity (Optional) – the relevant metric may be selected by the entity	–	–

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2) Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None

3) Provide details of the following disclosures related to water, in the following format:

Textile process activity: Linens & Terry **(in kilolitres)**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres) for Textile process activity: Linens & Terry		
i) Surface water: KIADB Water supply	194166	207490
ii) Groundwater	0	0
iii) Third party water (Municipal water supplies)	38750	33487
iv) Seawater / desalinated water	0	0
v) Others (Recycled)	1495146	1265597
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1728062**	**1506574**
Total volume of water consumption (in kilolitres)	**1728062**	**1506574**
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations)	**0.000067**	**0.000073**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	–	–
Water intensity in terms of physical output	–	–
Water intensity (optional) – the relevant metric may be selected by the entity	–	–

(in kilolitres)

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kiloitres) : Captive power plant : Power generation		
i) Surface water : KIADB Water supply	533331	405414
ii) Groundwater	0	0
iii) Third party water (Return condensate)	39015	25480
iv) Seawater / desalinated water (Rain water collected)	37617	17153
v) Others (Recycled)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**609963**	**448047**
Total volume of water consumption (in kilolitres)	**609963**	**448047**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000239	0.0000218
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	–	–
Water intensity in terms of physical output	–	–
Water intensity (*optional*) – the relevant metric may be selected by the entity	–	–

Textile process activity: Design, Preparation, Dyeing, Weaving & Finishing (Composite weaving Mill) **(in kilolitres)**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
i) Surface water: KIADB Water supply	Nil	Nil
ii) Groundwater	Nil	Nil
iii) Third party water (Municipal water supplies / Private supplier)	40,150	33,487
iv) Seawater / desalinated water	Nil	Nil
v) Others (Recycled)	83,566	82,638
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,23,716	1,16,125
Total volume of water consumption (in kilolitres)	1,23,716	1,16,125
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000004853	0.00000566
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	–	–
Water intensity in terms of physical output	–	–
Water intensity (*optional*) – the relevant metric may be selected by the entity	–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

4) Provide the following details related to water discharged

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
i) To Surface water	0	0
– No treatment		
– With treatment – please specify level of treatment		
ii) To Groundwater	0	0
– No treatment		
– With treatment – please specify level of treatment		
iii) To Seawater	0	0
– No treatment		
– With treatment – please specify level of treatment		
iv) Sent to third–parties	0	0
– No treatment		
– With treatment – please specify level of treatment		
v) Others (STP–Treated water)	25438	20477
– No treatment		
– With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	25438	20477

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5) Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

As part of its initiatives to reduce its carbon footprint and ensure operational sustainability the Company is focused on operating Zero Liquid Discharge (ZLD).

The Company operates best–in–class Zero Liquid Discharge (ZLD) water management plants across all its manufacturing facilities. We are mindful of our water consumption, continually optimizing its usage through the manufacturing process, capturing and recycling as much as possible, while also rejuvenating water sources. We have achieved 99.3% Water Recovery at our ZLD Facilities.

6) Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	Ton/ annum	136	395
SOx	Ton/ annum	313	305
Particulate matter (PM)	Ton/ annum	53.40	237
Persistent organic pollutants (POP)	Ton/ annum	NA	NA
Volatile organic compounds (VOC)	Ton/ annum	NA	NA
Hazardous air pollutants (HAP)	Ton/ annum	NA	NA
Others – Ozone Depleting Substances (HCFC – 22 or R–22)	Ton/annum	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7) Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break–up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	211592	127584
Total Scope 2 emissions (Break–up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	116826	115808
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent	0.000012884	0.000011857
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		–	–
Total Scope 1 and Scope 2 emission intensity in terms of physical output		–	–
Total Scope 1 and Scope 2 emission intensity ***(optional)*** – the relevant metric may be selected by the entity		–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8) Does the entity have any project related to reducing Green House Gas emissions? If Yes, then provide details.

As a part of our mission to be carbon neutral by 2030, we are using Biomass for the Boiler and Power from Grid with the Reliability index of 99%. We are embarking on journey by taking up Roof top Solar system also. We use DG Power, which is less than 1% of our total Grid power. We are reducing our carbon footprint by adopting cleaner processes, while increasing energy and resource efficiencies. Our aim is to be carbon neutral by 2030 based on improvements in energy efficiency and embracing renewable energy, among other initiatives.

9) Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	48.39	45.08
E–waste ***(B)***	2.93	1.04
Bio–medical waste ***(C)***	0	0
Construction and demolition waste ***(D)***	0	0
Battery waste ***(E)***	0.73	0.34
Radioactive waste ***(F)***	0	0
Other Hazardous waste. Please specify, if any. (G) (Empty container (179.7) + MEE –Waste salt (4519.9))+ Chemical Sludge (144))	4843.6	3833
Other Non–hazardous waste generated ***(H). Please specify, if any.*** The Textile Waste (Chindi & cutting waste) : Sold for approved delaer for utilizing and coverting to by-product.	3150	2601.5
Total (A+B + C + D + E + F + G + H)	**8045.65**	**6480.96**
Waste intensity per rupee of turnover (Total Waste Generated/ Revenue from Operations)	0.0000003156	0.0000003157
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	–	–
Waste intensity in terms of physical output	–	–
Waste intensity *(optional)* – the relevant metric may be selected by the entity	–	–
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i) Recycled	230	240.2
ii) Re–used	–	–
iii) Other recovery operations	1920	1215.0
Total	**2150**	**1455.2**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i) Incineration	0	0
ii) Landfilling	4149.77	3633
iii) Other disposal operations	0	0
Total	**4149.77**	**3633**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10) Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Himatsingka is leading the way in reducing waste by operating a zero–paper shop floor, reducing the use of plastics, introducing sustainable packaging solutions and reusing waste. Our 'conscious portfolio' innovatively uses recycled fibers, natural finishes and reduced water consumption in the manufacturing process.

We have Saved and Re–purposed 964 Tonnes of Waste.

The Company has a mechanism to recycle products and waste. Over 99% of all waste is recycled through KSPCB Authorized Vendors.

11) If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No

12) Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
NIL					

13) Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, The Company is complying to all applicable environmental law/regulations/guidelines such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules .

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NIL				

Leadership Indicators

1) Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

None of the plants of the Company are in the areas of water stress

Name of the area:

Nature of operations:

Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022- 2023 (Previous Financial Year)
Water Withdrawal by Source (In Kilo-litre)		
i) Surface Water	None of the plants of the Company are in the areas of water stress	
ii) Ground Water		
iii) Third Party		
iv) Seawater / desalinated water		
v) Others		
Total Volume of water withdrawal (In Kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)	Not Applicable	
i) Into Surface water		
– No treatment		
– With treatment – please specify level of treatment		
ii) Into Groundwater		
– No treatment		
– With treatment – please specify level of treatment		
iii) Into Seawater		
– No treatment		
– With treatment – please specify level of treatment		
iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
v) Others		
No treatment		
With treatment – please specify level of treatment		
Total Water discharged (In Kilolitre		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

2) Please provide details of total Scope 3 emissions & its intensity, in the following format: Not Applicable

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		–	–
Total Scope 3 emissions per rupee of turnover		–	–
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		–	–

3) With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along–with prevention and remediation activities.

Not Applicable

4) If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	ZLD (Zero Liquid discharge of treated effluent) – System	Entire effluent generated from process is being treated to recycling standards, recovered and re-used for production activity.	Water requirement for production activity only through the recycled water and meeting ZLD. No discharge of effluent and meeting production water requirement through recovered water only.
2.	Water savings in process production	Reduced water consumption from 48.5 KL/Ton of production to 40.5 KL/Ton of production	Reduced effluent generation followed by reduction in operational cost.

5) Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The business continuity and disaster management plan is part of the internal Information Security/ Cyber Security Policy. Appropriate contingency and data back–up plans are formulated to ensure that the organization is able to effectively deal with major disasters, to protect critical business process from the effects of major failures and ensure their timely resumption.

6) Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant impact.

7) Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1) a) Number of affiliations with trade and industry chambers/ associations.

The Company is a member of six (6) trade and industry chambers/ associations.

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	TEXPROCIL–Cotton Textile Export Promotion Council	National
2.	ISEPC–Indian Silk Export Promotion Council	National
3.	FKCCI–Federation of Karnataka Chamber of Commerce and Industry	State
4.	FIEO– Federation of Indian Export Organization	National
5.	CII–Confederation of Indian Industry	National
6.	BCIC–Bangalore Chamber of Industry and Commerce	State

2) Provide details of corrective action taken or underway on any issues related to anti–competitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse orders received from regulatory authorities for anti–competitive conduct.

Name of authority	Brief of the case	Corrective action taken
	Nil	

Leadership Indicators

1) Details of public policy positions advocated by the entity:

The Company has advocated on economic reforms, export policies and infrastructural needs through various trade and industry chambers/ associations organizations.

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
			Nil		

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1) Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link

2) Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3) Describe the mechanisms to receive and redress grievances of the community.

At Himatsingka we believe that the growth of our company depends on the economic, environmental and social sustainability of our communities.

Company is informed of any grievances from communities through face to face meetings or through any medium. The focus areas are decided based on the requirements or recommendations received by the general public or nearby panchayats. In addition, the Company also has an internal grievance mechanism that covers all our stakeholders including communities in which we operate.

4) Percentage of input material (inputs to total inputs by value) sourced from suppliers:

The Company sources goods and services from the area surrounding its operating facilities to the extent possible.

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ small producers	59.18%	67.96%
Sourced directly from within the district and neighboring districts	41.94%	51.86%

5) Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non–permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY Current Financial Year	FY Previous Financial Year
Rural	–	–
–Semi-Urban	–	–
Urban	12%	–
Metropolitan	88%	–

(Place to be categorized as per RBI Classification System – rural / semi-urban / urban / metropolitan

Leadership Indicators

1) Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2) Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The Companies plant locations does not fall under Aspirational districts. Hence CSR Projects do not cover any designated aspirational districts

Sl. No.	State	Aspirational District	Amount spent (In INR)
Not applicable			

3) a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

b) From which marginalized /vulnerable groups do you procure?

Not Applicable

c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4) Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

5) Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6) Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	The Company has spent towards Corporate Social Responsibility as per the statutory requirements in areas permitted under the Companies Act, 2013 and as per the CSR Policy adopted by the Company. The Company has not undertaken any social impact assessment and hence quantification of persons benefited under CSR projects or beneficiaries of people from vulnerable and marginalized groups is not available.		

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

Essential Indicators

1) Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have the following mechanism in place to receive and respond to Customer complaints:

Customer Complaints:

- Acknowledge the email from customer within 24hrs.
- Log the complaint in the complaint register and send the detail to factory along with the complaint number.
- Root cause analysis will be done by the factory team and the Corrective and preventive Action (CAPA) to be submitted with in 48 hrs.
- CAPA will be submitted to Customer with the assurance that it won't occur in the future.
- Closure to the complaint will be made with a replacement of the product or with a credit note, based on the agreement.

Customer Feedback:

- Customer Feedback will be assessed through Customer Satisfaction Form.
- There is a questionnaire (set of 10 questions under different parameters) that will be sent to customer at the end of every fiscal year.
- Customer will rate our service 1 to 10 (Not Satisfactory/Good/Very Good/Excellent) under each of the parameters in the feedback form.
- The feedback form will be reviewed with factory once we receive it from the Customers.
- The respective department submit their CAP if their service is rated 7 or below (Not Satisfactory/Good) for Management review.
- The continuous improvement in the service level will be monitored by the Senior Management team.

2) Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

The Company adheres to all the applicable regulations regarding product labelling and display's relevant information on it.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	86%
Safe and responsible usage	74%
Recycling and/or safe disposal	21%

3) Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber–security	0	0		0	0	
Delivery of essential services	3	0	All the complaints were attended and resolved.	0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	2	0	All the complaints were attended and resolved.	0	0	
Total	5	0		0	0	

4) Details of instances of product recalls on account of safety issues:

Not Applicable

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls		

5) Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has an internal Information Security/Cyber Security Policy. The objective of the policy is to provide management direction and support for Information Security in accordance to the business requirements, relevant laws and regulations.

The policy applies to employees, contractors, consultants, temporary workers and other workers at Himatsingka Seide Limited (HSL), including all personnel affiliated with third parties. The policy also applies to all equipment that is owned or leased by HSL.

The information security policy is communicated to all the employees and is made available to relevant interested parties. All staff will receive at the minimum a yearly information security awareness e–mail.

The organization works to protect the integrity of its software and its information assets against the introduction of malicious code (malware).

6) Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re–occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:

None

7) Provide the following information relating to data breaches:

a) Number of instances of data breaches

None

b) Percentage of data breaches involving personally identifiable information of customers

NIL

c) Impact, if any, of the data breaches

NA

Leadership Indicators

1) Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

https://www.himatsingka.com/brands

2) Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Our business success depends upon our ability to foster lasting customer relationships. The Company is committed to dealing with customers fairly, honestly and with integrity. We take measures to ensure information

we supply to customers should be accurate and complete to the best of our knowledge, and we should not deliberately misrepresent information to customers. Our Product labels have all the valid and required information.

3) Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Our products do not form part of essential services. Hence not applicable.

4) Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief.

Not Applicable

5) Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes through informal communications.

Independent Auditors' Report

To the Members of Himatsingka Seide Limited

Report on the Audit of the Standalone Financial Statements

OPINION

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

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	**Revenue recognition** (Refer note 2.1 to the material accounting policies and the disclosures related to revenues in note 20 to the standalone financial statements) As per Ind AS 115 Revenue from Contracts with Customers, revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue from sale of goods is recognised at a point in time when control is transferred to customer and there is no unfulfilled obligation. The Company and its external stakeholders focus on revenue as a key performance indicator. This could result in a risk of revenue being overstated or recognised before control has been transferred. Because of the above factors, we have identified revenue recognition as a key audit matter.	Our audit procedures in respect of this area included: 1. Evaluated the appropriateness of the revenue recognition accounting policies of the Company with the principles of Indian Accounting Standard 115 – 'Revenue from contracts with customer' ('Ind AS 115'). 2. Evaluated the design, implementation and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general information and technology control environment, key IT application controls over the Company's IT systems which govern revenue recognition and sales return in the accounting system. 3. Performed substantive testing by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents like sales invoices/ contracts and related logistics documents. 4. Performed cut off testing to ensure that the revenue is recorded in the appropriate period by reviewing the Company's revenue recognition policies, testing samples of revenue transactions near the end of the reporting period and verified shipping and billing documents to ensure that the revenue is recorded in correct accounting period. 5. Obtained the historical trends for revenue and corresponding sales returns based on the accounting records maintained by the Company. 6. Ensured completeness and existence assertion by performing substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable and obtaining independent balance confirmation from the customers at the balance sheet date. 7. Tested on a sample basis, manual journal entries relating to revenues to identify and inquire on unusual items, if any. 8. Performed analytical procedures on revenue recognised during the year to identify and inquire on unusual variances, if any and getting the reasons for variances confirmed from the management of the Company. 9. Assessed the underlying assumptions and estimates used for determination of variable consideration and tested rebates and discount provided to the customers on a sample basis, comparing the same with underlying approvals and terms of the contracts and schemes offered to customers. 10. Assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements to ensure they are accurate, complete, and comply with the requirements of Ind AS 115 – 'Revenue from contracts with customer'.

Independent Auditors' Report to the Members of Himatsingka Seide Limited on the Audit of the Standalone Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2024 (continued)

Sl. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2.	Assessment for impairment of investments in subsidiaries (Refer note 2.14 to the material accounting policies and the disclosures related to carrying value of investments in subsidiaries in note 4A to the standalone financial statements) At March 31, 2024, the balance sheet includes investment in subsidiaries amounting to ₹ 97,361.73 Lacs which constitutes 16.64% of the total assets of the Company. As these investments represents a significant portion of the Company's assets, and accordingly this has been identified as key audit matter. The Company performs periodic assessment of these investments to identify any indicators of impairment and make adequate provisions in accordance with Ind AS 36 Impairment of Assets. The determination of recoverable value for impairment assessment, being higher of fair value less costs of disposal and value in use, involves significant judgements and involves various estimates including weighted average cost of capital; sales growth rate; operating margins (%); discount rate (%); and perpetuity growth rate (%). Changes in these assumptions, if any, could lead to significant changes in the value of investment in subsidiaries and accordingly impairment provision. Considering the significant degree of management judgement involved in the assumptions used for computation of the recoverable amount, this is determined as key audit matter.	Our audit procedures in respect of this area included: 1. Assessed whether the Company's accounting policies relating to the impairment of investments in subsidiaries are in accordance with Ind AS 36 Impairment of Assets. 2. Obtained an understanding of the Company's process for identification of indicators of impairment and tested the design and operating effectiveness of internal controls over such identification and impairment of identified investments through fair valuation of investments. 3. Evaluated and challenged management's assumptions such as implied growth rates during explicit period, terminal growth rate, targeted savings and discount rate, and operating margins, for their appropriateness based on our understanding of the business of the subsidiaries, past results and external factors such as industry trends. 4. Involved our valuation specialists to test the underlying assumptions used by management along with their external experts in computing recoverable value of investments in subsidiaries, such as weighted average cost of capital, sales growth rate, operating margins, perpetuity growth rate and discount rate. 5. Evaluated the competence and objectivity of the valuation specialist engaged by the management. 6. Performed sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the current estimated recoverable amounts of investments to evaluate sufficiency of headroom between recoverable values and carrying amounts. 7. Tested the arithmetical accuracy of the management's impairment testing model. 8. Assessed and validated the adequacy and appropriateness of the related presentation and disclosures made by the management as per the requirements of Ind AS 36: "Impairment of Assets" ("Ind AS 36") in the standalone financial statements.

Sl. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3.	Recognition of government grants and assessment of its recoverability (Refer note 2.5 to material accounting policies and the disclosures related to government grants in Note 6 and 8 to the accompanying standalone financial statements.) The Company is eligible for government grants under various schemes enacted by the State and the Central Government. Each of these schemes requires fulfilment of certain conditions by the Company to be eligible to receive the grant. Recognition of grants (including its classification as capital or revenue grant) requires a suitable assurance by the Company towards compliance with the conditions specified in the relevant schemes and that the grants will be received. The assessment of fulfilment of relevant conditions specified in the grant at the time of recognition involves judgement and assumptions which are subject to uncertainty. The Company reassesses the recoverability of these grants at each balance sheet date. We have identified recognition of grant and assessment of its recoverability as a key audit matter because of the complexities in establishing the compliance with the eligibility conditions of the grant and judgement involved towards assessment of its recoverability and related provisions made considering the delayed recoveries in accordance with Ind AS 109 'Financial Instruments'.	Our audit procedures in respect of this area included: 1. Evaluated the government grant accounting policies adopted by the management of the Company, for compliance are with Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance. 2. Tested the design and operating effectiveness of internal controls with respect to recognition of grants (including its classification as capital or revenue grant) and assessment of its recoverability. 3. Performed substantive testing, on a sample basis, towards recognition of grants in accordance with the respective schemes, its classification as revenue or capital grant and verified the same with supporting documents. 4. Evaluated the Company's assessment of recoverability of respective grants based on ageing analysis and obtained explanations from management to assess the adequacy of the level of provision, if any, required for amounts considered recoverable. 5. Tested the ageing analysis for matter that are not under litigation, and assessed the information used by the management to determine the recoverability of these grants by considering collections against historical trends. 6. Tested the arithmetical accuracy of the calculation of accrual of export benefits and prevailing discount on e-Scrips in compliance with the relevant conditions as specified in the notifications and policies, as applicable. 7. Evaluated management's assessment of determination of provision for time value of money determined on the basis of expected credit loss methodology, evaluated the reasonableness of expected credit loss amount and assessed whether the requirements of applicable accounting principles have been complied. 8. Assessed and validated the adequacy and appropriateness of the disclosures made by the management as per requirement of Ind AS 20 – 'Accounting for Government Grants and Disclosure of Government Assistance' in the standalone financial statements.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

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

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1) As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

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

   g) With respect to the adequacy of 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";

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

Independent Auditors' Report to the Members of Himatsingka Seide Limited on the Audit of the Standalone Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2024 (continued)

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;

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

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

iv) a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

v) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 13 to the standalone financial statements);

vi) In regard to SAP S4 HANA

Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording the audit trail (edit log) facility at application level, however no audit trail feature was enabled with respect to certain relevant transactions. Further, the audit trail (edit log) facility was not enabled at the database level to log any direct data changes.

The audit trail facility, to the extent it was enabled, as reported above, has been operated throughout the year for the relevant transactions in the accounting software. Further, during the course of our examination, we did not come across any instance of the audit trail being tampered with, in respect of the accounting software for the period for which the audit trail feature was enabled and operating.

3) 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 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates**

Chartered Accountants
ICAI Firm Registration No. 105047W

Vikram Dhanania
Partner
Membership No. 060568
UDIN: 24060568BKDZHI4177

Place : Bengaluru
Date : May 23, 2024

Annexure A to the Independent Auditors' Report on even date on the Standalone Financial Statements of Himatsingka Seide Limited

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For **M S K A & Associates**

Chartered Accountants
ICAI Firm Registration No. 105047W

Vikram Dhanania
Partner
Membership No. 060568
UDIN: 24060568BKDZHI4177

Place : Bengaluru
Date : May 23, 2024

Annexure B to Independent Auditors' Report of even date on the Standalone Financial Statements of Himatsingka Seide Limited for the year ended 31 March 2024

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

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

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

b) Property, plant and equipment were physically verified by the management according to a phased programme designed to cover all items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

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

Sl. No.	Description of Property	Gross carrying value (₹ in Lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of Company (also indicate if in dispute)
1	Land	6,585.19	KIADB	No	Various periods	Property will be transferred in the name of the Company post expiry of lease period

d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii) a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, some of these goods have been received subsequent to the year end. No discrepancies were noticed in respect of such confirmations. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks and/ financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.

iii) a) According to the information explanation provided to us, the Company has provided loans, advances in the nature of loans, stood guarantee, and/or provided securities to other entities.

A) The details of such loans, advances, guarantee or securities to subsidiaries are as follows:

(₹ in Lacs)

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/provided during the year Subsidiaries	Nil	Nil	Nil	Nil
Balance Outstanding as at balance sheet date in respect of above cases Subsidiaries	18,342.26	Nil	Nil	Nil

B) During the year the Company has not stood guarantee and provided security to any other entity.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made and guarantees provided are not prejudicial to the interest of the Company.

c) The Company has not provided any loans or advances in the nature of loans to any other entity during the year. Accordingly, provisions stated under clause 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable.

iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security made.

v) According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 ('the Act') and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.

vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same, and are of the opinion that, ***prima facie***, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there have been slight delays in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount demanded (₹ in Lacs)	Amount Paid (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	30.50	–	AY 2006-07, 2009-10	ITAT, Kolkata
Income-tax Act, 1961	Income-tax	915.39	–	AY 2008-09, 2010-11, 2013-14, 2014-15, 2017-18	ITAT, Kolkata
Income-tax Act, 1961	Income-tax	80.12	–	AY 2018-19	ACIT, Bengaluru
Income-tax Act, 1961	Income-tax	1,132.10	–	AY 2021-22, 2016-17	CIT(A), Kolkata
Income-tax Act, 1961	Income-tax	247.03	–	AY 2019-20, 2020-21	CIT(A), Kolkata
Central Excise Act, 1944	Excise duty and penalty	668.90	28.47	FY 2002-03 to FY 2009-10, FY 2012-13 to FY 2015-16	CESTAT
Customs Act, 1962	Customs duty and penalty	641.46	18.05	FY 2015-20	CESTAT
Goods and Service Tax act, 2017	GST	449.49	–	FY 2017-18	JCCT, Bengaluru

viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in income-tax assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

Annexure B to the Independent Auditors' Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2024 (Continued)

ix) a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 14.1 to the standalone financial statements.

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

e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.

x) a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

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

xi) a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

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

xii) The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

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

xv) According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi) a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

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

d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company as a part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the Order are not applicable to the Company.

xvii) Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix) According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 37 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Companies Act, 2013, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Companies Act, 2013 or to a Special Account as per the provisions of Section 135 of the Companies Act, 2013 read with schedule VII to the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

Vikram Dhanania
Partner
Membership No. 060568
UDIN: 24060568BKDZHI4177

Place: Bengaluru
Date : May 23, 2024

Annexure C to the Independent Auditors' Report on even date on the Standalone Financial Statements of Himatsingka Seide Limited

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

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

We have audited the internal financial controls with reference to standalone financial statements of Himatsingka Seide Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, 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").

MANAGEMENTS' AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

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.

Annexure C to the Independent Auditors' Report of even date on the Standalone Finanial Statements of Himatsingka Seide Limited for the year ended 31 March 2024 (continued)

Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Vikram Dhanania
Partner
Membership No. 060568
UDIN: 24060568BKDZHI4177

Place: Bengaluru
Date : May 23, 2024

Standalone Balance Sheet

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

(₹ Lacs)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	221,307.87	231,532.58
Capital work-in-progress	3.1	3,221.06	2,988.06
Other Intangible assets	3.3	1,065.87	1,329.45
Financial assets			
i) Investments	4A	97,361.73	95,644.44
ii) Loans	5	–	56.07
iii) Other financial assets	6	1,821.48	1,717.90
Income tax assets (net)	7A	1,496.56	1,496.56
Other non–current assets	8	2,633.49	3,805.72
Total non-current assets		**328,908.06**	**338,570.78**
Current assets			
Inventories	9	40,817.47	22,770.09
Financial assets			
i) Investments	4B	171.91	964.52
ii) Trade receivables	10	157,062.59	127,588.31
iii) Cash and cash equivalents	11A	2,973.01	5,192.77
iv) Bank balances other than (iii) above	11B	12,848.39	4,929.18
v) Loans	5	80.05	86.58
vi) Other financial assets	6	21,755.45	20,861.62
Other current assets	8	20,601.11	15,282.48
Total current assets		**256,309.98**	**197,675.55**
Total assets		**585,218.04**	**536,246.33**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	4,922.86	4,922.86
Other equity	13	173,616.37	161,806.21
Total equity		**178,539.23**	**166,729.07**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	14	157,433.49	142,994.82
Provisions	15	2,127.57	1,778.68
Deferred tax liabilities (net)	7B	10,628.53	8,700.86
Other non-current liabilities	16	22,982.38	24,787.96
Total non-current liabilities		**193,171.97**	**178,262.32**
Current liabilities			
Financial liabilities			
i) Borrowings	17	117,594.23	118,037.48
ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	18	14,632.98	8,122.27
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	67,637.61	54,149.59
iii) Other financial liabilities	19	6,247.84	7,360.33
Other current liabilities	16	2,607.25	2,513.50
Provisions	15	1,545.76	1,071.77
Current tax liabilities (net)	7A	3,241.17	–
Total current liabilities		**213,506.84**	**191,254.94**
Total liabilities		**406,678.81**	**369,517.26**
Total equity and liabilities		**585,218.04**	**536,246.33**
Summary of material accounting policies	2		

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

As per our report of even date attached

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

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

Vikram Dhanania
Partner
Membership number : 060568

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place : Bengaluru
Date : 23 May 2024

Place : Bengaluru
Date : 23 May 2024

Standalone Statement of Profit and Loss

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

(₹ Lacs)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	20	254,910.20	205,274.10
Other income	21	2,674.71	7,739.95
Total income		**257,584.91**	**213,014.05**
Expenses			
Cost of raw materials and packing materials consumed	22A	143,986.61	103,351.62
Changes in inventories of finished goods and work-in-progress	22B	(18,660.13)	14,425.02
Employee benefits expense	23	27,663.16	24,020.98
Finance costs	24	24,066.83	21,458.37
Depreciation and amortisation expense	25	11,604.17	11,804.34
Other expenses	26	52,507.49	42,188.11
Total expenses		**241,168.13**	**217,248.44**
Profit / (Loss) before tax		**16,416.78**	**(4,234.39)**
Tax expense			
Current tax	31	5,058.00	–
Deferred tax	31	(180.96)	(1,214.87)
Total tax expense		**4,877.04**	**(1,214.87)**
Profit / (Loss) for the year		**11,539.74**	**(3,019.52)**
Other comprehensive income			
A) Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plan		(388.01)	387.14
Income tax effect on above		135.59	(135.28)
B) Items that will be reclassified to profit or loss			
Effective portion of gain/(loss) on hedging instruments in cash flow hedges		803.68	(1,558.85)
Income tax effect on above		(280.84)	544.72
Other comprehensive income / (loss) for the year, net of tax		**270.42**	**(762.27)**
Total comprehensive income / (loss) for the year		**11,810.16**	**(3,781.79)**
Earnings / (loss) per equity share (face value of ₹ 5 each)			
Basic (in ₹)	32	**11.72**	**(3.07)**
Diluted (in ₹)	32	**11.28**	**(3.07)**
Summary of material accounting policies	2		

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

As per our report of even date attached

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

Vikram Dhanania
Partner
Membership number : 060568

Place: Bengaluru
Date : 23 May 2024

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place : Bengaluru
Date : 23 May 2024

Place : Bengaluru
Date : 23 May 2024

Standalone Statement of Changes in Equity

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

A. Equity share capital (refer note 12) (₹ Lacs)

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

B. Other equity (refer note 13)

Particulars	Reserves and surplus (refer note 13)				Other comprehensive income	Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings	Effective portion of cash flow hedge	
Balance as at 1 April 2022	**17.04**	**27,675.71**	**17,270.17**	**120,497.47**	**619.90**	**166,080.29**
Loss for the year	–	–	–	(3,019.52)	–	(3,019.52)
Other comprehensive income for the year, net of tax	–	–	–	251.86	(1,014.13)	(762.27)
Payment of dividend	–	–	–	(492.29)	–	(492.29)
Balance as at 31 March 2023	**17.04**	**27,675.71**	**17,270.17**	**117,237.52**	**(394.23)**	**161,806.21**
Balance as at 1 April 2023	**17.04**	**27,675.71**	**17,270.17**	**117,237.52**	**(394.23)**	**161,806.21**
Profit for the year	–	–	–	11,539.74	–	11,539.74
Other comprehensive income for the year, net of tax	–	–	–	(252.42)	522.84	270.42
Balance as at 31 March 2024	**17.04**	**27,675.71**	**17,270.17**	**128,524.84**	**128.61**	**173,616.37**
Summary of material accounting policies (refer note 2)						

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

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's registration number: 105047W

Vikram Dhanania
Partner
Membership number : 060568

Place: Bengaluru
Date : 23 May 2024

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Sankaranarayanan. M
Chief Financial Officer

Place: Bengaluru
Date : 23 May 2024

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Standalone Statement of Cash Flows

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

(₹ Lacs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit / (loss) for the year	11,539.74	(3,019.52)
Adjustments for:		
Finance costs	24,066.83	21,458.39
Interest income	(498.97)	(373.02)
Net gain on sale of current investments	–	(8.73)
Loss allowances on financial assets (net)	910.42	256.61
Net loss / (gain) on disposal of property, plant and equipment	574.42	(1,895.80)
Amortized value of employee loans and security deposits	6.86	7.31
Income on financial guarantee contracts	(38.95)	(67.32)
Depreciation and amortisation expense	11,604.17	11,804.34
Provision no longer required written back	(280.00)	–
Net unrealised foreign exchange (gain) / loss on non operating activities	(16.49)	472.78
Tax expense	4,877.04	(1,214.87)
Operating profit before working capital changes	**52,745.07**	**27,420.17**
Adjustments for changes in working capital		
Increase in trade receivables	(30,384.70)	(32,705.76)
(Increase) / decrease in inventories	(18,047.38)	18,331.23
(Increase) / decrease in other assets	(1,792.65)	14,481.20
Increase / (decrease) in trade payables	20,278.73	(2,613.03)
Increase / (decrease) in provisions	434.87	(207.74)
Increase / (decrease) in other liabilities	260.65	(986.64)
Cash generated from operations	**23,494.59**	**23,719.43**
Income taxes paid (net)	(67.16)	(4,624.30)
Net cash generated from operating activities (A)	**23,427.43**	**19,095.13**
Cash flows from investing activities		
Proceeds from sale of current investments (net)	–	353.70
Interest received	442.26	539.97
Acquisition of property, plant and equipment and intangible assets (net)	(4,841.64)	(972.93)
Investment in subsidiaries (refer note 4A.1)	(1,678.34)	–
Investment in fixed deposits	(37,900.18)	(16,901.49)
Proceeds from fixed deposits maturity	30,467.15	17,198.74
Net cash generated from / (used in) investing activities (B)	**(13,510.75)**	**217.99**
Cash flows from financing activities		
Proceeds from / (repayment of) current borrowings (net)	(11,401.01)	10,067.65
Proceeds from non-current borrowings	36,916.16	69,788.11
Repayment of non-current borrowings	(10,762.32)	(83,318.90)
Dividends paid on equity shares	–	(492.29)
Proceeds from government subsidies	1,289.00	2,748.67
Interest paid	(28,178.27)	(24,004.52)
Net cash flow used in financing activities (C)	**(12,136.44)**	**(25,211.28)**
Net decrease in cash and cash equivalents (A+B+C)	**(2,219.76)**	**(5,898.16)**
Cash and cash equivalents at the beginning of the year	5,192.77	11,090.93
Cash and cash equivalents at the end of the year	**2,973.01**	**5,192.77**
Components of cash and cash equivalents (refer note 11A)		
Cash and cash equivalents comprise of:		
Cash in hand	10.41	6.63
Balance with banks		
– in current accounts	2,962.60	5,186.14
Total	**2,973.01**	**5,192.77**

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

	Opening balance 1 April 2023	Net cash flows	Non-cash movement	Closing balance 31 March 2024
Non current borrowings (including current maturities of non current borrowings)	152,563.51	26,153.84	(757.40)	177,959.95
Current borrowings (excluding current maturities of non current borrowings)	108,468.79	(11,401.02)	–	97,067.77
Interest accrued but not due	2,252.08	(28,178.27)	28,375.56	2,449.37
Total liabilities from financing activities	**263,284.38**	**(13,425.45)**	**27,618.16**	**277,477.09**

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

	Opening balance 1 April 2022	Net cash flows	Non-cash movement	Closing balance 31 March 2023
Non current borrowings (including current maturities of non current borrowings)	165,795.30	(13,530.79)	299.00	152,563.51
Current borrowings (excluding current maturities of non current borrowings)	98,401.14	10,067.65	–	108,468.79
Interest accrued but not due	1,719.05	(24,004.52)	24,537.55	2,252.08
Total liabilities from financing activities	**265,915.49**	**(27,467.66)**	**24,836.55**	**263,284.38**

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

Summary of material accounting policies (refer note 2)

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

As per our report of even date attached

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

Vikram Dhanania
Partner
Membership number : 06056

Place : Bengaluru
Date : 23 May 2024

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Office

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Corporate information

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

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

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

1.1 Statement of compliance

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

1.2 Basis of preparation

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

a) Defined benefit and other long–term employee benefits that are measured at present value of defined benefit obligations less fair value of plan assets.

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

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

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

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

1.3 Functional and presentation currency

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

1.4 Use of estimates, assumptions and judgements

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

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

Assumptions, judgements and estimations

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

Determination of the estimated useful lives:

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

Recognition and measurement of defined benefit obligations:

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

Impairment testing:

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

Expected credit losses on financial assets:

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

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

Provisions & Contingent Liabilities:

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

Government Grants:

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

1.5 Measurement of fair values

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

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

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

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

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

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

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

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

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

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

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

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

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

1.6 Current versus non-current classification

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

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

2. Material accounting policies

2.1 Revenue recognition

Revenue from contracts with customers – sale of goods:

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

The Company derives its revenue primarily from sale of products.

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

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

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

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

Scrap sales:

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

Contract balances:

Trade receivables

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

Cost to obtain a contract and cost to fulfil a contract

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

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

2.2 Other income

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

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

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

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

2.3 Leases

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

Company as a lessee

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

i) Right–of–use assets

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

ii) Lease liabilities

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

iii) Short–term leases and leases of low–value assets

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

2.4 Borrowing costs

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

2.5 Government grants

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

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

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

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

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

2.6 Employee benefits

a) Defined benefit plans

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

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

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

b) Short term employee benefits

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

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

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

c) Compensated absences

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

d) Defined contribution plan

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

2.7 Income taxes

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

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

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

Deferred tax is not recognized for:

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

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

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

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

2.8 Property, plant and equipment

a) Recognition and measurement:

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

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

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

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

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

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

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

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

b) Depreciation:

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

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

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

Class of assets	Years
Buildings	10-60 years
Plant and equipment*	30-41 years
Furniture and fixtures	5-13 years
Office equipment (Incl books and catalogue)	3-25 years
Vehicles	6-13 years

Land is not depreciated.

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

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

2.9 Intangible assets

a) Recognition and measurement

Acquired intangible assets

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

Internally generated intangible assets

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;

- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

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

b) Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

c) Amortization

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

The estimated useful lives of intangibles are as follows:

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

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

d) Derecognition of intangible assets

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

2.10 Impairment of non–financial assets

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

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

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

2.11 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and traded goods, cost comprises of cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.12 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

Non–monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Also refer note 2.4 regarding exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

2.13 Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (where the effect of time value of money is material, representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognized as finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed by way of note to the standalone Ind AS financial statements.

2.14 Investment in subsidiaries

Investment in subsidiaries are shown at cost less impairment losses if any. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss.

On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

2.15 Financial Instruments

a) Initial recognition and initial measurement

The financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

i) Financial assets

On initial recognition, a financial asset is classified and measured at:

- amortized cost;
- fair value through other comprehensive income (FVOCI) – debt investment;
- fair value through other comprehensive income (FVOCI) – equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not re-classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in the statement of profit and loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective amortized cost interest method reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Any gain or loss on derecognition is recognized in the statement of profit and loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments recognized at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to the statement of profit and loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset.

ii) Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Amortized cost

After initial recognition, interest–bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.16 Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the statement of profit and loss.

The Company designates their derivatives as hedge instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the statement of profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

2.17 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of statement of cash flows, cash and cash equivalents includes cash in hand, in banks, demand deposits with banks and other short–term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.19 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.20 Cash dividend

The Company recognizes a liability to make dividend distributions to equity holders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.21 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.22 New Standards, Interpretations and Amendments adopted by the Company

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 3.1 : Property, plant and equipment

(₹ Lacs)

Particulars	Land (refer note 3.1.2)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress (refer note 3.2)
Cost:								
Balance as at 1 April 2022	**27,098.63**	**72,114.63**	**231,375.93**	**2,682.30**	**4,143.27**	**143.23**	**337,557.99**	**4,428.46**
Additions	–	2,333.60	443.28	36.35	210.37	–	3,023.60	1,952.44
Disposals	(282.21)	–	(2,918.69)	–	–	–	(3,200.90)	–
Transfers/Capitalised	–	–	–	–	–	–	–	(3,392.84)
Balance as at 31 March 2023	**26,816.42**	**74,448.23**	**228,900.52**	**2,718.65**	**4,353.64**	**143.23**	**337,380.69**	**2,988.06**
Balance as at 1 April 2023	**26,816.42**	**74,448.23**	**228,900.52**	**2,718.65**	**4,353.64**	**143.23**	**337,380.69**	**2,988.06**
Additions	–	88.43	2,816.90	0.77	62.08	–	2,968.18	3,131.32
Disposals	–	–	(339.86)	–	(1.10)	(86.54)	(427.50)	–
Transfers/Capitalised	–	–	–	–	–	–	–	(2,898.32)
Balance as at 31 March 2024	**26,816.42**	**74,536.66**	**231,377.56**	**2,719.42**	**4,414.62**	**56.69**	**339,921.37**	**3,221.06**
Accumulated depreciation:								
Balance as at 1 April 2022	**–**	**(11,595.80)**	**(78,560.41)**	**(1,221.17)**	**(3,662.33)**	**(120.95)**	**(95,160.66)**	**–**
Depreciation charge for the year	–	(2,575.84)	(10,340.44)	(125.18)	(329.27)	(4.56)	(13,375.29)	–
Disposals	–	–	2,687.84	–	–	–	2,687.84	–
Balance as at 31 March 2023	**–**	**(14,171.64)**	**(86,213.01)**	**(1,346.35)**	**(3,991.60)**	**(125.51)**	**(105,848.11)**	**–**
Balance as at 1 April 2023	**–**	**(14,171.64)**	**(86,213.01)**	**(1,346.35)**	**(3,991.60)**	**(125.51)**	**(105,848.11)**	**–**
Depreciation charge for the year	–	(2,595.72)	(10,332.78)	(32.85)	(222.95)	(4.52)	(13,188.82)	–
Disposals	–	–	335.94	–	0.95	86.54	423.43	–
Balance as at 31 March 2024	**–**	**(16,767.36)**	**(96,209.85)**	**(1,379.20)**	**(4,213.60)**	**(43.49)**	**(118,613.50)**	**–**
Net book value:								
As at 31 March 2024	**26,816.42**	**57,769.30**	**135,167.71**	**1,340.22**	**201.02**	**13.20**	**221,307.87**	**3,221.06**
As at 31 March 2023	**26,816.42**	**60,276.59**	**142,687.51**	**1,372.30**	**362.04**	**17.72**	**231,532.58**	**2,988.06**

Notes

3.1.1 Refer note 14.1, 17.2 and 36.3 for information on property, plant and equipment pledged as security by the Company.

3.1.2 The Company has entered into a lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement amounting to ₹ 6,585.19 Lacs. The Company is in the process of applying for the transfer of such land in its name.

3.1.3 The above assets other than to the extent mentioned in note 3.1.2 above are owned by the Company.

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 3.2 : Capital work-in-progress

a) Capital work-in-progress ageing: **(₹ Lacs)**

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,039.85	814.58	366.63	–	3,221.06
Projects temporarily suspended	–	–	–	–	–
Balance as at 31 March 2024	**2,039.85**	**814.58**	**366.63**	**–**	**3,221.06**
Projects in progress	1,502.12	1,362.14	123.80	–	2,988.06
Projects temporarily suspended	–	–	–	–	–
Balance as at 31 March 2023	**1,502.12**	**1,362.14**	**123.80**	**–**	**2,988.06**

There are no projects where the completion is overdue or cost has exceeded when compared to its original plan.

Note 3.3 : Other Intangible assets

(₹ Lacs)

Particulars	Computer software	Technical know-how	Total
Cost:			
Balance as at 1 April 2022	**2,984.21**	**324.22**	**3,308.43**
Additions	349.44	–	349.44
Disposals	–	–	–
Balance as at 31 March 2023	**3,333.65**	**324.22**	**3,657.87**
Balance as at 1 April 2023	**3,333.65**	**324.22**	**3,657.87**
Additions	87.52	–	87.52
Disposals	–	–	–
Balance as at 31 March 2024	**3,421.17**	**324.22**	**3,745.39**
Accumulated amortisation:			
Balance as at 1 April 2022	**(1,811.01)**	**(162.10)**	**(1,973.11)**
Amortisation	(322.89)	(32.42)	(355.31)
Disposals	–	–	–
Balance as at 31 March 2023	**(2,133.90)**	**(194.52)**	**(2,328.42)**
Balance as at 1 April 2023	**(2,133.90)**	**(194.52)**	**(2,328.42)**
Amortisation	(318.68)	(32.42)	(351.10)
Disposals	–	–	–
Balance as at 31 March 2024	**(2,452.58)**	**(226.94)**	**(2,679.52)**
Net book value:			
As at 31 March 2024	**968.59**	**97.28**	**1,065.87**
As at 31 March 2023	**1,199.75**	**129.70**	**1,329.45**

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 4 : Investments **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
4A : Non-current investments		
Unquoted Investments		
A. Investments in equity instruments of subsidiaries (at cost unless stated otherwise)		
Himatsingka Holdings NA Inc. (refer note 4A.1)	95,677.75	93,960.46
Equity shares of USD 10,000 each, fully paid up		
[No. of shares: 12,921 (As at 31 March 2023: 12,806)]		
Himatsingka Wovens Private Limited	1,683.98	1,683.98
Equity shares of INR 100 each, fully paid up		
[No. of shares: 17,50,000 (As at 31 March 2023: 17,50,000)]		
Twill & Oxford LLC (under liquidation)	37.35	37.35
Equity shares of AED 100 each, fully paid up		
[No. of shares: 1,470 (As at 31 March 2023: 1,470)]		
Less: Provision towards impairment of investments (refer note 38)	(37.35)	(37.35)
Total	**97,361.73**	**95,644.44**
Aggregate value of unquoted investments	97,361.73	95,644.44
Aggregate amount of impairment in value of investments	37.35	37.35

Note 4A.1 :
During the current year, the Company made an additional investment of ₹ 1,717.29 L acs (31 March 2023: Nil) in Himatsingka Holdings NA Inc. These additional investment made includes ₹ 38.95 Lacs (31 March 2023: ₹ 67.32 Lacs) arising from the financial guarantees provided to the subsidiary.

Note 4A.2 :
Refer note 14.1 for information on investments pledged as security by the Company.

4B : Current investments **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in equity instruments (Unquoted – at fair value)		
Atria Wind Power (Chitradurga) Private Limited	170.99	606.51
Equity shares of INR 251 each fully paid up		
[No. of shares: 68,123 (As at 31 March 2023 : 2,41,637)]		
Atria Wind Power (Basavana Bagewadi) Private Limited	0.92	358.01
Equity shares of INR 193.28 each fully paid up		
[No. of shares: 478 (As at 31 March 2023 : 1,85,226)]		
Total	**171.91**	**964.52**
Aggregate value of unquoted investments	171.91	964.52

Note 5 : Loans (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Loans to employees	–	56.07
Total	**–**	**56.07**
Current		
Unsecured, considered good		
Loans to employees	80.05	86.58
Total	**80.05**	**86.58**

Note 6 : Other financial assets (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Fixed deposits with banks with maturity period more than twelve months	5.06	510.06
Electricity deposits	1,683.73	1,036.82
Other deposits	132.69	171.02
Total	**1,821.48**	**1,717.90**
Current		
Unsecured, considered good		
Interest subsidy receivable [net of credit impaired ₹ 394.42 Lacs (31 March 2023: Nil)]	2,679.62	2,807.92
Subsidy receivable under various government schemes	18,048.97	15,487.03
Interest receivable	138.93	89.09
Security deposits	252.52	188.31
Other receivables	324.05	2,175.18
Derivative assets – foreign exchange forward contracts	311.36	114.09
Total	**21,755.45**	**20,861.62**

Note 7 : Tax assets and liabilities

Note 7A : Income tax assets and liabilities

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current income tax assets		
Advance tax and taxes deducted at source	22,671.56	22,671.56
Less: Provisions related to the above	(21,175.00)	(21,175.00)
Income tax assets (net)	**1,496.56**	**1,496.56**
Current tax liabilities		
Income tax provisions	15,729.33	12,421.00
Less: Advance tax and taxes deducted at source related to above	(12,488.16)	(12,421.00)
Current tax liabilities (net)	**3,241.17**	**–**

Note 7B : Deferred tax liabilities (net)*

The following is the analysis of the net deferred tax asset/(liability) position as presented in the financial statements (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Property, plant and equipment and other intangible assets	32,380.34	31,776.17
Cash flow hedge	68.87	–
Total deferred tax liabilities (A)	**32,449.21**	**31,776.17**
Deferred tax assets		
Provision for gratuity and compensated absences	1,416.87	993.79
Cash flow hedge	–	211.97
Minimum alternate tax (MAT) credit entitlement	15,897.13	17,860.51
Others – business losses, unabsorbed depreciation and other disallowances	4,506.68	4,009.04
Total deferred tax assets (B)	**21,820.68**	**23,075.31**
Net deferred tax liability (A – B)	**10,628.53**	**8,700.86**

*Refer note 31

Note 8 : Other assets

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Capital advances	655.67	1,084.91
Contract acquisition costs	1,921.62	2,666.42
Others	56.20	54.39
Total	**2,633.49**	**3,805.72**
Current		
Advances to suppliers	800.30	989.26
Balances with government authorities (other than income taxes)	9,835.87	5,946.18
Subsidy receivable under various government schemes	8,028.21	5,960.75
Prepaid expenses	931.16	1,033.52
Contract acquisition costs	998.62	1,336.67
Others	6.95	16.10
Total	**20,601.11**	**15,282.48**

Note 9 : Inventories

(Valued at lower of cost and net realizable value)* **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials and packing materials	3,479.11	4,279.26
Work-in-progress	27,012.40	8,622.68
Finished goods	8,357.92	8,087.51
Stores and spares	1,968.04	1,780.64
Total	**40,817.47**	**22,770.09**
*Refer note 17.2		
Included above, goods-in-transit:		
Raw materials	660.09	–
Work-in-progress	16,760.24	–
Total	**17,420.33**	**–**

Note 10 : Trade receivables **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured, considered good	**158,349.92**	**128,116.03**
Less: Allowance for expected credit loss	(1,287.33)	(527.72)
Net Trade receivables	**157,062.59**	**127,588.31**

The Company's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in note 33

Note 10.1 : Bill discounting:

At the end of the reporting period, the carrying amount of the trade receivables that have been discounted (with recourse) and have not been derecognized amounted to ₹ 18,016.77 Lacs (31 March 2023: ₹27,223.01 Lacs) and associated liability has been disclosed as bill discounting (refer note 17).

Note 10.2 : Details of trade receivables

Of the above, trade receivables from related parties are as below: **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables from related parties (refer note 34)	113,715.98	102,900.12
Total	**113,715.98**	**102,900.12**

For terms and conditions with related parties, refer note 34

Note 10.3 : Expected credit loss assessment for trade receivables as at 31 March 2024 and 31 March 2023 are as follows:

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The movement in allowance for credit loss in respect of trade and other receivables are as follows:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	527.72	271.11
Change in allowance for expected credit loss (net)	759.61	256.61
Balance as at end of the year	**1,287.33**	**527.72**

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 10.4: Trade receivables ageing schedule

As at 31 March 2024 **(₹ Lacs)**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2 -3 years	More than 3 years	
Undisputed trade receivables – considered good	134,799.00	20,589.76	650.54	94.84	54.41	56.04	156,244.59
Undisputed trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed trade receivables – credit impaired	–	29.51	97.53	47.51	90.67	93.37	358.59
Disputed trade receivables – considered good	–	–	–	277.60	316.21	224.19	818.00
Disputed trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	401.84	526.90	–	928.74
Total	**134,799.00**	**20,619.27**	**748.07**	**821.79**	**988.19**	**373.60**	**158,349.92**
Less: Allowance for expected credit loss							(1,287.33)
Net Trade receivables							**157,062.59**

As at 31 March 2023 **(₹ Lacs)**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months – 1 year	1 -2 years	2 -3 years	More than 3 years	
Undisputed trade receivables – considered good	117,558.49	7,916.03	214.07	447.20	117.02	116.47	126,369.28
Undisputed trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed trade receivables – credit impaired	–	–	–	–	–	–	–
Disputed trade receivables – considered good	–	57.96	621.48	843.12	–	224.19	1,746.75
Disputed trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed trade receivables – credit impaired	–	–	–	–	–	–	–
Total	**117,558.49**	**7,973.99**	**835.55**	**1,290.32**	**117.02**	**340.66**	**128,116.03**
Less: Allowance for expected credit loss							(527.72)
Net Trade receivables							**127,588.31**

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 11A : Cash and cash equivalents **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents consist of		
Cash on hand	10.41	6.63
Balance with banks		
– in current accounts	2,962.60	5,186.14
Total	**2,973.01**	**5,192.77**

Note 11B : Bank balances other than cash and cash equivalents **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Other bank balances (refer note 11.1)	56.75	75.57
Deposits with banks with maturity of more than three months but less than twelve months	12,791.64	4,853.61
	12,848.39	**4,929.18**

Note 11.1 : Other bank balances represent earmarked balances in respect of unpaid dividends.

Note 12 : Equity share capital **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
15,00,00,000 equity shares (31 March 2023: 13,40,00,000 equity shares) of par value of ₹ 5 each	7,500.00	6,700.00
Issued		
9,84,96,160 equity shares (31 March 2023: 9,84,96,160 equity shares) of par value of ₹ 5 each	4,924.81	4,924.81
Subscribed and fully paid-up		
9,84,57,160 equity shares (31 March 2023: 9,84,57,160 equity shares) of par value of ₹ 5 each	4,922.86	4,922.86

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount (₹ Lacs)	Number of shares	Amount (₹ Lacs)
At the commencement of the year	98,457,160	4,922.86	98,457,160	4,922.86
At the end of the year	98,457,160	4,922.86	98,457,160	4,922.86

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Details of shareholders holding more than 5% of equity shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Dinesh Kumar Himatsingka	11,902,000	12.09%	11,902,000	12.09%
Shrikant Himatsingka	8,546,964	8.68%	8,546,964	8.68%
Bihar Mercantile Union Private Limited	6,268,234	6.37%	6,268,234	6.37%
Rajshree Himatsingka	5,897,260	5.99%	5,897,260	5.99%

Disclosure of shareholding of promoters in the equity share capital of the Company

Promoters name	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dinesh Kumar Himatsingka	11,902,000	12.09%	0.00%	11,902,000	12.09%	0.00%
Shrikant Himatsingka	8,546,964	8.68%	0.00%	8,546,964	8.68%	0.00%
Bihar Mercantile Union Private Limited	6,268,234	6.37%	0.00%	6,268,234	6.37%	0.00%
Rajshree Himatsingka	5,897,260	5.99%	0.00%	5,897,260	5.99%	0.00%
Awdhan Trading Company Limited	4,128,736	4.19%	0.00%	4,128,736	4.19%	0.00%
Orient Silk Private Limited	3,434,768	3.49%	0.00%	3,434,768	3.49%	0.00%
Aditya Resources Limited	3,297,470	3.35%	0.00%	3,297,470	3.35%	0.00%
Priya Resources Private Limited	3,121,360	3.17%	0.00%	3,121,360	3.17%	0.00%
Priyadarshini Himatsingka	237,800	0.24%	0.00%	237,800	0.24%	0.00%

Note 13 : Other equity **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve (refer note 13.1)	17.04	17.04
Securities premium (refer note 13.2)	27,675.71	27,675.71
General reserve (refer note 13.3)	17,270.17	17,270.17
Retained earnings (refer note 13.4)	128,524.84	117,237.52
Reserves and surplus	**173,487.76**	**162,200.44**
Cash flow hedge reserve (refer note 13.5)	128.61	(394.23)
Other comprehensive income	**128.61**	**(394.23)**
Total	**173,616.37**	**161,806.21**

Notes:

13.1 Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserves. The reserve is not available for distribution.

13.2 Amounts received on issue of shares in excess of the par value have been classified as securities premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

13.3 This represents appropriation of profit by the Company. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

13.4 Retained earnings comprise of the Company's undistributed earnings after taxes. The amount can be distributed by the Company as dividends to its equity shareholders.

13.5 The cash flow hedging reserve represents effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss when the hedged items (sales of goods) affects profit or loss .

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Retained earnings		
Opening balance	117,237.52	120,497.47
Add: Profit / (loss) for the year	11,539.74	(3,019.52)
Add: Items of OCI recognised directly in retained earnings		
Re-measurements of defined employee benefit plan	(252.42)	251.86
Less: Payment of dividends*	–	(492.29)
Total	**128,524.84**	**117,237.52**
*The Company has proposed dividend of ₹ 0.25 per share for the financial year 2023-24 after the reporting date which is subject to approval at the annual general meeting. Such dividend has not been recognised as liabilities at year end. (31 March 2023: Final dividend of ₹ 0.50 per share for the financial year 2021-22)		
Effective portion of cash flow hedge		
Opening balance	(394.23)	619.90
Effective portion of gain / (loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges recognised in cash flow hedge reserve	312.41	(8,369.64)
Cumulative gain / (loss) reclassified to profit or loss	491.27	6,810.79
Income tax related to net gain / (loss) recognised in other comprehensive income	(280.84)	544.72
Total	**128.61**	**(394.23)**

Note 14 : Non current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured loans: (refer note 14.1)		
Term loans		
From banks	43,380.66	49,717.61
From financial institutions	58,363.48	59,641.16
Non Convertible Debentures		
4,600, redeemable, non convertible debentures (NCD), of face value ₹ 10,00,000 each. (31 March 2023 : 3,420)	45,389.96	33,636.05
Unsecured loans: (refer note 14.1)		
Foreign currency convertible bonds (FCCB) (refer note below)	10,299.39	–
Total	**157,433.49**	**142,994.82**

Note:

During the year, the Company issued 12,500 foreign currency convertible bonds of USD 1,000 each. Interest is payable on semi annual basis. 50% of the principal amount of the loan is repayable at the end of 5 years from the issue date of first tranche (26 April 2023) and balance 50% at the end of 5 years 6 months or can be converted at any time into equity shares at the holder's option.

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 14.1 : Details of non-current borrowings and current maturities of non-current borrowings (₹ Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
i) Term loans from bank (secured)						
Loan 1	8,330.23	1,230.54	9,542.75	307.66	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 structured quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2024 was 23 installments.
Loan 2	–	–	–	6,764.85	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	In 3 yearly installments after initial moratorium of 4 years (yearly% of repayment 25%, 35% & 40%). The loan was fully repaid during the year ended 31 March 2024.
Loan 3	2,968.64	2,000.00	4,940.43	500.00	Subservient charge on all present and future moveable fixed assets.	28 quarterly structured installments payable at the end of each quarter starting from 3 months from date of 1st disbursement. The outstanding term as of 31 March 2024 was 10 installments.
Loan 4	3,836.71	500.00	4,317.54	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 28 quarterly installments commencing from post completion of moratorium period of 12 months. The outstanding term as of 31 March 2024 was 23 installments.
Loan 5	2,920.44	800.00	1,392.50	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 24 quarterly installments commencing from post completion of initial moratorium period of 12 months. The outstanding term as of 31 March 2024 was 19 installments.
Loan 6	6,866.12	1,338.00	8,159.40	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan amount of ₹ 6,000 lacs shall be repaid in 27 quarterly installments commencing from July 2022. The outstanding term as of 31 March 2024 was 20 installments. Loan amount of ₹ 4,000 lacs shall be repaid in 21 quarterly installments commencing from August 2023. The outstanding term as of 31 March 2024 was 17 installments.
Loan 7	10,174.09	1,616.00	11,782.81	404.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 30 quarterly installments commencing from September 2022. The outstanding term as of 31 March 2024 was 23 installments.
Loan 8	8,284.43	1,304.03	9,582.18	326.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 30 quarterly installments commencing from September 2022. The outstanding term as of 31 March 2024 was 23 installments.
Total	**43,380.66**	**8,788.57**	**49,717.61**	**8,302.51**		

The rate of interest on the above term loans is in the range of 9.61% to 12.80% (31 March 2023 : 8.56% to 12.24%).

ii) Term loan from financial institution (secured)

(₹ Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 1	–	63.50	62.85	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of 31 March 2024 was 1 installment.
Loan 2	–	250.83	339.99	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of 31 March 2024 was 3 installments.
Loan 3	7,705.20	1,878.37	10,041.19	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of 31 March 2024 was 14 installments.
Loan 4	17,616.21	2,614.25	21,082.95	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 structured quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date which ever is earlier. The outstanding term as of 31 March 2024 was 19 installments.
Loan 5	–	–	244.92	244.93	First ranking pledge on the investment made by the Company in Atria Wind Power Limited.	The loan was fully repaid during the year ended 31 March 2024.
Loan 6	–	57.92	57.92	69.54	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from November 2020 The outstanding term as of 31 March 2024 was 7 installments.
Loan 7	–	77.76	77.76	69.98	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from February 2021 The outstanding term as of 31 March 2024 was 10 installments.
Loan 8	–	49.38	50.12	77.51	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from September 2020 The outstanding term as of 31 March 2024 was 5 installments.
Loan 9	49.18	39.43	81.42	39.43	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from April 2021. The outstanding term as of 31 March 2024 was 9 installments.
Loan 10	45.98	40.38	86.36	35.37	Secured by the asset which is taken under this facility	Loan shall be repaid in 20 structured quarterly installments commencing from April 2021. The outstanding term as of 31 March 2024 was 8 installments.
Loan 11	12.09	7.69	19.78	6.73	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from August 2021. The outstanding term as of 31 March 2024 was 10 installments.
Loan 12	74.55	53.30	127.86	46.68	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from June 2021. The outstanding term as of 31 March 2024 was 9 installments.
Loan 13	82.73	55.14	137.87	48.28	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from July 2021. The outstanding term as of 31 March 2024 was 10 installments.
Loan 14	28.62	13.76	42.38	12.33	Secured by the asset which is taken under this facility	Loan shall be repaid in 60 structured Monthly installments commencing from November 2021. The outstanding term as of 31 March 2024 was 31 installments.
Loan 15	6,825.10	1,875.00	8,638.99	–	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings NA Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Second charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by Company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2024 was 18 installments.

Notes to the Standalone Financial Statements for the year ended 31 March 2024

(₹ Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 16	4,096.69	1,125.00	5,185.71	–	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings NA Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by Company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2024 was 18 installments.
Loan 17	1,541.19	888.89	2,420.78	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 11 installments.
Loan 18	2,798.17	800.00	3,589.84	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan Shall be repaid in 24 quarterly installments commencing from post completion of principle moratorium period of 12 months. The outstanding term as of 31 March 2024 was 18 installments.
Loan 19	4,443.12	–	4,454.85	-	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 8 installments.
Loan 20	2,290.72	597.29	2,897.63	615.40	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 26 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 19 installments.
Loan 21	8,885.57	750.00	–	–	A) First charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary HWPL B) Corporate Guarantee from HWPL only to the extent of properties charged with Exim Bank	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 17 installments.
Loan 22	1,868.36	500.00	–	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 20 structured quarterly installments commencing after 3 months from the date of disbursement. The outstanding term as of 31 March 2024 was 19 installments.
Total	**58,363.48**	**11,737.89**	**59,641.16**	**1,266.18**		

The rate of interest on the above term loans is in the range of 9.58% to 13.56% (31 March 2023 : 9.23% to 13.56%).

iii) Non convertible debentures from financial institution (secured)

(₹ Lacs)

NCD 01	45,389.96	–	33,636.05	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	NCD shall be repaid in 16 equal semi - annual installments commencing after 3 years from the date of disbursement. The outstanding term as of 31 March 2024 was 16 installments.
Total	**45,389.96**	–	**33,636.05**	–		

The rate of interest on the above non convertible debentures is 11.54% (31 March 2023 : 11.45%).

iv) Foreign currency convertible bonds from financial institution (unsecured)

(₹ Lacs)

FCCB 01	10,299.39	–	–	–	The foreign currency convertible bonds are not backed by any security.	FCCB shall be repaid in 2 equal installments. 50% of the principal amount of the loan is repayable at the end of 5 years from the issue date of first tranche (26 April 2023) and balance 50% at the end of 5 years 6 months or can be converted at any time into equity shares at the holder's option. The outstanding term as of 31 March 2024 was 2 installments.
Total	**10,299.39**	**–**	**–**	**–**		

The rate of interest on the above Foreign currency convertible bonds is 4.5% (31 March 2023 : Nil).

Note 15: Provisions (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for gratuity (refer note 15.1)	2,127.57	1,778.68
Total	**2,127.57**	**1,778.68**
Current		
Provision for compensated absences	852.99	652.16
Provision for gratuity (refer note 15.1)	692.77	419.61
Total	**1,545.76**	**1,071.77**

Note 15.1 : Employee benefit

The Company operates the following post-employment defined benefit plan.

Defined benefit plan

The Company operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act,1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. There is no maximum limit for the payment of gratuity benefit. The present value of obligation is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A) Funding

The Company's gratuity scheme for employees is administered through insurance fund. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Company expects to contribute ₹ 692.77 Lacs (31 March 2023 : ₹ 419.61 Lacs) to its defined benefit plan in the next financial year.

The expected maturity analysis of undiscounted gratuity is as follows: (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
1 year	882.52	597.33
2 to 5 years	1,165.09	993.68
6 to 10 years	1,325.20	1,113.96
More than 10 years	1,211.76	1,014.98

B) Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

Reconciliation of present value of defined benefit obligation (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Obligation at the beginning of the year	2,376.20	2,648.34
Interest cost	170.26	142.91
Current service cost	257.48	230.37
Benefits paid	(181.13)	(255.20)
Actuarial (gains)/losses on obligations recognised in other comprehensive income		
– Changes in demographic assumptions	(41.66)	–
– Changes in financial assumptions	7.20	(240.39)
– Experience adjustments	421.74	(149.83)
Obligation at the end of the year	**3,010.09**	**2,376.20**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	177.73	168.09
Interest income on plan assets	12.73	9.07
Contributions	181.15	258.85
Benefits paid	(181.13)	(255.20)
Return on plan assets, excluding interest income recognised in other comprehensive income	(0.73)	(3.08)
Plan assets at the end of the year, at fair value	**189.75**	**177.73**
Net defined benefit liability	**2,820.34**	**2,198.47**

C) i) Expense recognised in the Statement of Profit or Loss (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	257.48	230.37
Interest cost	170.26	142.91
Expected return on plan assets	(12.73)	(9.07)
Net benefit expense	**415.01**	**364.21**

ii) Remeasurement recognised in other comprehensive income (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial gain on defined benefit obligation	387.28	(390.22)
Return on plan assets, excluding amount recognised in net interest expense	0.73	3.08
Total (gain) / loss recognised in other comprehensive income	**388.01**	**(387.14)**

D) Plan assets (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance fund	189.75	177.73
Total	**189.75**	**177.73**

E) Defined benefit obligation

i) Principal actuarial assumptions

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	7.10%	7.15%
Future salary growth	5.00%	5.00%
Mortality [IALM 2012-14]	100.00%	100.00%
Attrition rate	2% – 50%	2% – 40%
Weighted average duration of defined benefit obligation (in years)	5	5
Retirement age (in years)	58	58

Notes:

i) The discount rate is based on the prevailing market yield on government bonds as at the balance sheet date for the estimated term of obligations.

ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Projected benefit obligation on current assumptions	3,010.09	2,376.20
Impact of change in discount rate by +1%	(144.71)	(120.49)
Impact of change in discount rate by -1%	159.72	133.17
Impact of change in salary growth rate by +1%	161.47	134.69
Impact of change in salary growth rate by -1%	(148.81)	(123.96)
Impact of change in attrition rate by +50%	(28.16)	(33.26)
Impact of change in attrition rate by -50%	41.78	40.77
Impact of change in mortality rate by +10%	0.64	0.55
Impact of change in mortality rate by -10%	(0.64)	(0.55)

Defined contribution plans:

The Company's contribution to various defined contribution plans recognised in the statement of profit and loss under the head employee benefit expense are as follows:

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Provident fund	1,564.81	1,452.90
Employees' state insurance	308.61	274.49
Total	**1,873.42**	**1,727.39**

Note 16 : Other liabilities **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Deferred income arising from government grants (refer note 16.1 below)	22,982.38	24,787.96
Total	**22,982.38**	**24,787.96**
Current		
Deferred income arising from government grants (refer note 16.1 below)	1,923.92	1,915.07
Advances received from customers	135.97	138.18
Statutory liabilities	547.36	460.25
Total	**2,607.25**	**2,513.50**

Note 16.1 : Deferred income arising from government grants

The Company has received government grants in the form of import duty exemption and subsidy on purchase of capital goods and purchase of raw materials to be used for production of goods for exports, based on the terms of the respective schemes. The Company recognises such grants in the statement of profit or loss on a systematic basis over the period in which the related expenses (the related costs for which the grants are intended to compensate) are incurred and charged to the income statement. The Company has presented such amortisation of deferred income as a deduction from the related expenses.

Note 17 : Current borrowings **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Secured borrowings		
Loans repayable on demand		
From banks (refer note 17.1 and 17.2 below)	79,051.00	81,245.78
Bill discounting (refer note 10.1)	18,016.77	27,223.01
Current maturities of non-current borrowings (refer note 14.1)	20,526.46	9,568.69
Total	**117,594.23**	**118,037.48**

Note-17.1: The weighted average effective interest rate (net of subsidy) on the bank loans is 8.01% per annum (6.72% as at 31 March 2023).

Note-17.2: Working capital limits secured by pari passu charge by way of hypothecation of stock and book debts of the Company and in case of working capital loan from one bank, there is an additional security by way of first charge over fixed assets of the Company.

Note-17.3: The Company have filed the quarterly returns or statement with the banks/financial institutions according to the sanctioned working capital facilities, which are in agreement with books of accounts.

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 33.

Note 18: Trade payables **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 18.1)	14,632.98	8,122.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	67,637.61	54,149.59
Total	**82,270.59**	**62,271.86**

The Company's exposure to currency and liquidity risk are disclosed in note 33.

For terms and conditions with related parties, refer to note 34.

Note 18.1 : Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, small and medium enterprises development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31 March 2024 and 31 March 2023 is as under:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
– Principal*	14,648.12	8,122.27
– Interest	721.56	376.74
The amount of interest paid by the buyer in terms of Section 16 of MSMED Act along with the amount of the payment made to the supplier beyond the appointed day during the year	–	23,519.78
The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	–	319.71
The amount of interest accrued and remaining unpaid at the end of year	–	696.46
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	–	696.46

* Includes principal amount of ₹ 15.14 lacs (31 March 2023: Nil) remaining unpaid to capital creditors.

The above disclosure has been made in the standalone financial statements based on the information received and available with the Company.

Note 18.2: Trade Payables ageing schedule

As at 31 March 2024 (₹ Lacs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	Total
i) MSME*	–	8,869.70	4,290.42	825.19	647.67	–	14,632.98
ii) Others	5,019.34	39,000.60	17,316.70	3,071.14	2,825.37	404.46	67,637.61
iii) Disputed dues – MSME*	–	–	–	–	–	–	–
iv) Disputed dues – Others	–	–	–	–	–	–	–
Total	**5,019.34**	**47,870.30**	**21,607.12**	**3,896.33**	**3,473.04**	**404.46**	**82,270.59**

As at 31 March 2023 (₹ Lacs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	–	4,767.98	2,356.88	997.41	–	–	8,122.27
ii) Others	3,557.01	31,957.71	10,703.15	6,798.62	325.92	807.18	54,149.59
iii) Disputed dues – MSME*	–	–	–	–	–	–	–
iv) Disputed dues – Others	–	–	–	–	–	–	–
Total	**3,557.01**	**36,725.69**	**13,060.03**	**7,796.03**	**325.92**	**807.18**	**62,271.86**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 19 : Other financial liabilities **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Interest accrued but not due on borrowings	2,449.37	2,252.55
Capital creditors (refer note 19.1)	809.71	1,635.09
Employee related liabilities	2,817.61	2,676.07
Derivative liabilities - foreign exchange forward contracts	114.40	721.05
Unclaimed dividend (refer note 19.2)	56.75	75.57
Total	**6,247.84**	**7,360.33**

The Company's exposure to currency and liquidity risk are disclosed in note 33.

Note 19.1 Includes principal amount of ₹ 15.14 Lacs (31 March 2023: ₹ Nil) related to micro enterprises and small enterprises.

Note 19.2 As at 31 March 2024 (31 March 2023: ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

Note 20 : Revenue from operations **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers – sale of goods (refer note 20.2 below)	229,993.97	184,402.37
Other operating revenues (refer note 20.1 below)	24,916.23	20,871.73
Total revenue from operations	**254,910.20**	**205,274.10**

Note 20.1 : Other operating revenue comprises of : **(₹ Lacs)**

Revenue from contracts with customers – sale of waste and scrap	4,402.77	3,351.82
Export incentives	20,513.46	17,519.91
Total	**24,916.23**	**20,871.73**

Note 20.2 : Disaggregated revenue information:
The Company derives its revenue primarily from sale of textile products. Revenues from different geographic region based on the location of the customers have been disclosed in Note 30 (a)

Note 20.3 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price	245,632.26	194,492.66
Less: Rebates, discounts, chargebacks, markdowns, etc.	(11,235.52)	(6,738.47)
Revenue from contracts with customers – sale of goods and sale of waste and scrap	**234,396.74**	**187,754.19**

Note 21 : Other income

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Interest income		
Interest from bank deposits	436.55	317.82
Interest on electricity deposits	55.56	47.89
Interest income earned on financial assets that are not designated at fair value through profit or loss	6.86	7.31
	498.97	**373.02**
b) Other than interest income		
Foreign exchange gain	1,671.19	5,365.46
Profit on sale of current investments	–	8.73
Profit on sale of property, plant and equipment, net	–	1,895.80
Income on financial guarantee contracts	38.95	67.31
Miscellaneous income	465.60	29.63
	2,175.74	**7,366.93**
Total	**2,674.71**	**7,739.95**

Note 22: Cost of materials consumed and changes in inventories

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A) Cost of raw materials and packing materials consumed		
Inventories of raw materials and packing materials at the beginning of the year	4,279.26	7,408.72
Add: Purchase	143,186.46	100,222.16
Less: Inventories of raw materials and packing materials at the end of the year	3,479.11	4,279.26
Cost of raw materials and packing materials consumed	**143,986.61**	**103,351.62**
B) Changes in inventories of finished goods and work-in-progress		
Opening stock :		
– Work in progress	8,622.68	20,518.58
– inished goods	8,087.51	10,616.63
Closing stock :		
– Work in progress	27,012.40	8,622.68
– Finished goods	8,357.92	8,087.51
Changes in inventories of finished goods and work-in-progress	**(18,660.13)**	**14,425.02**

Note 23 : Employee benefits expense

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	22,836.24	19,798.18
Contribution to provident and other funds (refer note 15.1)	1,873.42	1,727.39
Gratuity expenses (refer note 15.1)	415.01	364.21
Expenses related to compensated absence	530.42	101.50
Workmen and staff welfare expenses	2,008.07	2,029.70
Total	**27,663.16**	**24,020.98**

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 24 : Finance costs

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on :		
Financial liability at amortised cost		
Interest on term loans [net of subsidy ₹ 4,671.70 Lacs (31 March 2023: ₹ 3,264.02 Lacs)]	11,862.69	11,127.44
Interest on working capital loans	8,227.31	6,951.33
Interest on payment of income tax	213.71	–
Other borrowing costs	3,642.00	3,277.73
Exchange differences regarded as an adjustment to borrowing costs	121.12	101.87
Total	**24,066.83**	**21,458.37**

Note 25 : Depreciation and amortisation expense

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3.1)	13,188.82	13,375.29
Amortization of intangible assets (refer note 3.3)	351.10	355.31
Less: Amortization of deferred income on government grants (refer note 16.1)	(1,935.75)	(1,926.26)
Total	**11,604.17**	**11,804.34**

Note 26 : Other expenses

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spare parts	1,536.09	1,107.85
Power and fuel	25,617.57	23,103.97
Contract labour charges	3,259.55	2,732.07
Freight outward	8,492.65	4,316.02
Rent (refer note 29)	832.96	861.13
Travelling and conveyance expenses	1,561.47	1,750.15
Advertisement, selling and publicity expenses	2,384.84	1,099.30
Professional and consultancy charges	814.81	1,072.76
Payments to auditors (refer note 26.1 below)	72.40	85.92
Repairs and maintenance		
i) plant and machinery	542.93	345.67
ii) buildings	161.91	173.33
iii) others	388.49	394.93
Product design and development charges	355.20	278.06
Water charges	691.34	567.67
Insurance	911.22	927.67
Expenditure on corporate social responsibility (CSR) (refer note 26.2 below)	175.00	365.05
Job work charges	1,194.58	514.08
Security charges	440.23	380.19
Communication expenses	420.65	778.45
Rates and taxes	183.64	181.48
Printing and stationery	43.70	43.43
Commission on sales	250.26	47.31
Loss on sale of property, plant and equipment (net)	574.42	–
Loss allowance on financial assets (including bad debts written off)	910.42	256.61
Miscellaneous expenses	691.16	805.01
Total	**52,507.49**	**42,188.11**

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 26.1 : Payments to auditors **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
– Audit fee*	57.00	72.00
– Tax audit fee	–	1.50
In other capacity:		
– Other services (certification fees)	6.00	1.00
– Reimbursement of expenses	9.40	11.42
Total	**72.40**	**85.92**

*includes fee for limited reviews

Note 26.2 : Corporate Social Responsibility

The Company has spent towards various schemes of corporate social responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. The details are:

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Amount approved by the Board and required to be spent by the Company during the year	167.41	360.00
ii) Amount of expenditure incurred on:		
a) Construction/acquisition of any asset	–	–
b) On purposes other than (i) above	175.00	123.72
iii) Shortfall/(excess) at the end of the year*	(7.59)	241.33
iv) Total of previous years shortfall		
v) Reason for shortfall	–	Pertains to ongoing projects
vi) Nature of CSR activities	Skill development and providing employment to Apprentices under Apprentices Act as per the National Apprenticeship Promotion Scheme (NAPS).	Promoting health care including preventive health care, special education, rural development project and promoting education.
vii) Details of related party transactions		
a) Contribution to Himatsingka Foundation in relation to CSR expenditure	–	241.33

*The Company had transferred the unspent amount in respect of ongoing projects to a special account in accordance of with the provisions of the Companies Act 2013.

Note 27 : Commitments

i) Capital commitments: **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,170.32	2,555.66

ii) Other commitments :

The Company has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme and Advance Authorisation to utilise the benefit of zero or concessional custom duty rate. The benefits are subject to future exports within the stipulated period. Such export obligations at year end aggregate to ₹ 6,571.32 Lacs (31 March 2023 : ₹ 5,482.82 Lacs).

Note 28 : Contingent liabilities **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
a) Claims against the Company not acknowledged as debt		
– Income tax matters (refer note 28.1 and 28.2.a)	418.45	211.40
– Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 28.1 and 28.2.b)	1,521.25	1,310.36
	1,939.70	1,521.76
b) Corporate guarantee given towards credit facilities on behalf of subsidiaries		
– Financial institutions	18,342.26	18,081.80
– Others	–	5,424.54
	18,342.26	23,506.34
Total	**20,281.96**	**25,028.10**

Note 28.1 : The above amounts have been arrived at based on the notice of demand or the assessment orders, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows including interest and other consequential payments, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. The Company doesn't expect any reimbursements in respect of the above contingent liabilities.

Note 28.2 :

a) Contingent liabilities under Income Tax Act 1961 of ₹ 418.45 Lacs (31 March 2023 : ₹ 211.40 Lacs) includes:

i) Disputed demands of ₹ 30.50 Lacs (31 March 2023 : ₹ 30.50 Lacs) pertain to AY 2006-07 and AY 2009-10, being disallowance of corporate expenses, disallowance under Section 14A and disallowance of interest under section 36(1)(iii).

ii) Disputed demands of ₹ 287.17 Lacs (31 March 2023 : ₹ 80.12 Lacs) pertain to AY 2018-19, AY 2019-20 and AY 2020-21 relates to withholding of taxes for payment made outside India for consultancy and marketing services.

iii) Other disputed demands of ₹ 100.78 Lacs (31 March 2023 : 100.78 Lacs) pertain to AY 2008-09 and AY 2016-17 related to Transfer pricing adjustments on account of interest on loan, commission on guarantees provided to subsidiaries etc.

b) Contingent liabilities under Custom, service tax and excise duties of ₹ 1,521.25 Lacs (31 March 2023 : ₹ 1,310.36 Lacs) includes:

i) Disputed demand of ₹ 668.90 Lacs (31 March 2023 : ₹ 668.90 Lacs) relating to transfer price adjustments on certain transactions with related parties.

ii) Disputed demand of ₹ 641.46 Lacs (31 March 2023 : ₹ 641.46 Lacs) on account of classification of imported Textile Sizing Chemical.

iii) Disputed demand of ₹ 98.43 Lacs (31 March 2023 : Nil) relating to reimbursement of expenses incurred outside India and ₹ 112.46 Lacs (31 March 2023 : Nil) on account of Goods and Services Tax (GST) input.

Note 29 : Leases

The Company has certain buildings and vehicles on lease with contract terms of less than one year. These leases are classified as short-term. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

I) Amounts recognised in statement of cash flows **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
The total cash outflow of short-term leases and leases of low-value assets	832.96	861.13

Note 30 : Segment reporting

The Executive Vice Chairman & Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Company is structured into a single segment of Textiles value chain, and accordingly the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the textiles and segment information has been presented accordingly.

The geographical information analyses the Company's revenue from external customer and non-current assets of its single reportable segment by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

a) Geographical revenues are segregated based on the location of the customers who are invoiced or in relation to which the revenue is otherwise recognised:

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
North America	192,761.43	153,749.26
India and Asia Pacific	8,033.48	9,353.02
Europe, Middle East and Africa	27,743.95	20,292.69
Rest of the world	1,455.11	1,007.40
Total	**229,993.97**	**184,402.37**

Revenue generated from major customers

Revenue from two customers (31 March 2023 : two customers) individually contributing 10% or more of Company's revenue was 55.39% from customer one (subsidiary) and 21.74% from customer two. (31 March 2023 : 58.15% from customer one (subsidiary) and 14.72% from customer two) of the total revenue respectively.

b) All non-current assets other than financial instruments, deferred tax assets and income tax assets of the Company are located in India.

Note 31 : Income Taxes

Amount recognised in statement of profit and loss **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax:		
In respect of the current year	5,058.00	–
	5,058.00	–
Deferred tax		
In respect of the current year	(180.96)	(1,214.87)
	(180.96)	**(1,214.87)**
Income tax expense reported in the statement of profit and loss	**4,877.04**	**(1,214.87)**

Income tax recognised in other comprehensive income

Deferred tax :

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Re-measurements of defined employee benefit plan	(135.59)	135.28
Effective portion of gain / (loss) on hedging instruments in cash flow hedges	280.84	(544.72)
Income tax charged to other comprehensive income / (loss)	**145.25**	**(409.44)**

Reconciliation of effective tax rate

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit / (loss) before income tax	16,416.78	(4,234.39)
Enacted income tax rate in India	34.944%	34.944%
Tax using the Company's domestic tax rate	5,736.68	(1,479.67)
Effects of tax concessions and MAT entitlement	(1,279.32)	–
Effects of non – deductible expenses for tax purposes	419.68	264.80
Total income tax expense recognised in the statement of profit and loss	**4,877.04**	**(1,214.87)**

The Company has not elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Note 31 : Income taxes (continued)

Deferred tax

Deferred tax relates to the following:

(₹ Lacs)

Particulars	As at 01 April 2022	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	As at 31 March 2023	Recognised in profit and loss during 2023-24	Recognised in OCI during 2023-24	MAT utilisation	As at 31 March 2024
Deferred tax assets / (liabilities)								
Property, plant and equipment and intangible assets	(30,492.31)	(1,283.86)	–	(31,776.17)	(604.17)	–	–	(32,380.34)
Cash flow hedge	(332.75)	–	544.72	211.97	–	(280.84)	–	(68.87)
Provision for gratuity and compensated absences	1,202.07	(73.00)	(135.28)	993.79	287.49	135.59	–	1,416.87
Others – business losses, unabsorbed depreciation and other disallowances	1,437.31	2,571.73	–	4,009.04	497.64	–	–	4,506.68
Minimum alternate tax (MAT) credit	17,860.51	–	–	17,860.51	–	–	(1,963.38)	15,897.13
Deferred tax assets / (liabilities)	**(10,325.17)**	**1,214.87**	**409.44**	**(8,700.86)**	**180.96**	**(145.25)**	**(1,963.38)**	**(10,628.53)**

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 32 : Earnings / (loss) per equity share **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net profit / (loss) for the year attributable to equity shareholders used in calculation of basic earnings per equity share	11,539.74	(3,019.52)
Add: Interest savings on convertible bonds, net of tax	262.88	–
Net profit / (loss) for the year attributable to equity shareholders used in calculation of diluted earnings per equity share	11,802.62	(3,019.52)

Reconciliation of basic and diluted shares used in computing earning per share:

Particulars	As at 31 March 2024	As at 31 March 2023
Number of equity shares outstanding at the beginning of the year	98,457,160	98,457,160
Add: Weighted average number of equity shares issued during the year	–	–
Weighted average number of equity shares outstanding during the year in calculation of basic earnings per equity share	98,457,160	98,457,160
Add: Adjustments for calculation of diluted earnings per equity share:		
Shares issuable under convertible bonds	6,219,509	–
Weighted average number of equity shares adjusted for the effect of dilution	104,676,669	98,457,160

Earnings / (loss) per equity share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic (in ₹)	11.72	(3.07)
Diluted (in ₹)	11.28	(3.07)

Note 33 : Financial instruments

33.1 : Categories of financial instruments:

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(₹ Lacs)

Particulars	Carrying amount 31 March 2024	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Measured at amortised cost				
Cash and cash equivalents	2,973.01	–	–	–
Bank balances other than cash and cash equivalents	12,848.39	–	–	–
Trade receivables	157,062.59	–	–	–
Loans (current and non-current)	80.05	–	–	–
Other financial assets (current and non-current)	23,265.57	–	–	–
Measured at fair value in hedging relationship				
Derivative assets	311.36	–	311.36	–
Measured at FVTPL				
Current investments	171.91	–	–	171.91
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	275,027.72	–	–	–
Trade payables	82,270.59	–	–	–
Other financial liabilities (current and non-current)	6,133.44	–	–	–
Measured at fair value in hedging relationship				
Derivative liabilities	114.40	–	114.40	–

Particulars	Carrying amount 31 March 2023	Fair value		
		Level 1	Level 2	Level 3
Financial Assets:				
Measured at amortised cost				
Cash and cash equivalents	5,192.77	–	–	–
Bank balances other than cash and cash equivalents	4,929.18	–	–	–
Trade receivables	127,588.31	–	–	–
Loans (current and non-current)	142.65	–	–	–
Other financial assets (current and non-current)	22,465.43	–	–	–
Measured at fair value in hedging relationship				
Derivative assets	114.09	–	114.09	–
Measured at FVTPL				
Current investments	964.52	–	–	964.52
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	261,032.30	–	–	–
Trade payables	62,271.86	–	–	–
Other financial liabilities (current and non-current)	6,639.28	–	–	–
Measured at fair value in hedging relationship				
Derivative liabilities	721.05	–	721.05	–

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities.

Fair valuation method
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial assets:
The Company has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances and other financial assets because management believes that their carrying amounts are a reasonable approximation of their fair value.

Investments : Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Derivative assets / liabilities : Fair value is arrived from future cash flows based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

Financial liabilities:
Borrowings: It includes loans taken from banks and financial institution, cash credit and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on loans is reset on a monthly/ quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed almost equal to the carrying values.

Note 33.2 : Financial risk management:
The Company's activities expose to financial risks: credit risk, liquidity risk and market risk.

Risk management framework
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. Risk Management Committee examines the priority of risks and mitigation actions.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i) Credit risk:
Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Bank deposits includes an amount of ₹ 11,682.70 Lacs (31 March 2023 : ₹ 5,358.61 Lacs) held with banks having high quality credit rating which is individually in excess of 10% or more of the Company's total bank deposits for the year ended 31 March 2024. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 1,96,530.56 Lacs and ₹ 1,60,425.80 Lacs as at 31 March 2024, and 31 March 2023, respectively, being the total of the carrying amount of balances with banks, bank deposits, current investments, trade receivables and other financial assets excluding cash in hand and equity investments.

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) is as follows:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Gross %	Net %	Gross %	Net %
North America	85%	85%	89%	89%
India and Asia pacific	3%	3%	6%	6%
Europe, Middle East and Africa	11%	11%	4%	4%
Rest of the world	1%	1%	1%	1%

Geographical concentration of trade receivables is allocated based on the location of the customers.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company believes that the working capital and its cash and cash equivalents are sufficient to meet its short and medium term requirements.

Management monitors rolling forecast of the Company's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

A) Financing arrangement

The Company maintains the following line of credit:

a) Terms loans taken from banks aggregating to ₹ 52,169.23 Lacs (31 March 2023: ₹ 58,020.12 Lacs) repayable in various quarterly and yearly installments with interest rate ranging from 9.61% to 12.80% (31 March 2023: 8.56% to 12.24%) per annum. Term loans, non convertible debentures and foreign currency convertible bonds from financial institutions aggregating to ₹ 1,25,790.72 Lacs (31 March 2023: ₹ 94,543.40 Lacs) with interest rate ranging from 4.50% – 13.56% (31 March 2023: 9.23% – 13.56%) per annum.

b) Working capital loans from banks carry an effective interest rate of 8.01% (31 March 2023: 6.72%) per annum, computed on a monthly basis on the actual amount utilized, and are repayable as per terms of the facility. Refer note 17.2 for details of security.

c) The Company has taken receivable bill discounting facility from banks which are payable within 180 days from date of bill discounted.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2024 and 31 March 2023. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2024 **(₹ Lacs)**

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
Financial liabilities:					
Borrowings	275,027.72	340,049.97	134,513.18	166,765.59	38,771.20
Trade payables	82,270.59	82,270.59	82,270.59	–	–
Other financial liabilities	6,247.84	6,247.84	6,247.84	–	–

As at 31 March 2023 **(₹ Lacs)**

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
Financial liabilities:					
Borrowings	261,032.30	335,303.93	133,412.86	148,644.97	53,246.10
Trade payables	62,271.86	62,271.86	62,271.86	–	–
Other financial liabilities	7,360.33	7,360.33	7,360.33	–	–

As disclosed in note 14.1, the Company has secured loan from banks and financial institutions that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier. The above does not include corporate guarantee provided to step down subsidiary. refer note 34.3 for details.

iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk:

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is ₹. The currencies in which these transactions are primarily denominated are USD, GBP, EURO etc.

Management monitors the movement in foreign currency and the Company's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Company decides to hedge its foreign currency. A majority portion of the Company's revenues are in foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to foreign currencies, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative and non-derivative financial instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

Note 33.2 : Financial risk management (continued)

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Sell Contracts:

Currency	As at 31 March 2024			As at 31 March 2023		
	in Foreign currency in (million)	₹ Lacs	MTM (₹ Lacs)	in Foreign currency in (million)	₹ Lacs	MTM (₹ Lacs)
In USD	118.30	99,486.00	197.27	42.21	34,244.41	(594.87)
Total		**99,486.00**	**197.27**		**34,244.41**	**(594.87)**

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Buy Contracts:

Currency	As at 31 March 2024			As at 31 March 2023		
	in Foreign currency in (million)	₹ Lacs	MTM (₹ Lacs)	in Foreign currency in (million)	₹ Lacs	MTM (₹ Lacs)
In USD	1.49	1,248.50	(0.55)	4.54	3,769.62	(12.09)
Total		**1,248.50**	**(0.55)**		**3,769.62**	**(12.09)**

The foreign exchange forward contracts mature within 12 months. The table below analyzes the derivative financial instruments sell contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 30 days	8,377.05	12,431.41
31 to 90 days	18,711.92	15,060.46
91 to 180 days	17,834.80	5,059.14
181 to 365 days	54,562.23	1,693.40
Total	**99,486.00**	**34,244.41**

The table below analyzes the derivative financial instruments buy contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 30 days	921.42	–
31 to 90 days	327.08	1,742.76
91 to 180 days	–	1,891.53
181 to 365 days	–	135.33
Total	**1,248.50**	**3,769.62**

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (unhedged foreign currency exposure) as reported to management is as follows:

(₹ Lacs)

Particulars	Currency	31 March 2024		31 March 2023	
		Amount in foreign currency in Lacs	Amount in ₹ Lacs	Amount in foreign currency in Lacs	Amount in ₹ Lacs
Cash and cash equivalents	USD	0.14	11.92	0.21	17.41
Trade receivables	USD	1,831.87	152,730.13	1,507.17	123,874.39
	EUR	15.26	1,376.63	10.02	898.31
	GBP	6.80	716.02	6.37	649.10
	AED	0.02	0.35	0.02	0.34
Other non current assets	EUR	0.18	16.51	–	–
Other current assets	USD	0.22	18.47	–	–
	EUR	0.27	24.20	0.28	24.86
	CHF	0.02	2.04	0.01	0.81
	JPY	3.58	1.97	–	–
Borrowings	USD	147.45	12,293.56	82.31	6,764.85
Trade payables	USD	54.32	4,528.94	20.85	1,713.31
	EUR	0.61	54.72	0.46	40.91
	GBP	0.40	41.86	0.21	21.28
	CHF	0.03	2.48	0.44	39.34
	JPY	–	–	0.22	0.13
Other current liabilities	USD	0.16	13.00	1.43	117.55
	EUR	0.00	0.07	0.09	7.77
	GBP	0.91	95.90	0.05	4.59
Other financial liabilities	USD	2.21	184.34	4.01	329.29
	EUR	4.89	440.88	5.97	535.44

The following exchange rates have been applied

Currency	Year end spot rate	
	31 March 2024	31 March 2023
USD/INR	83.37	82.19
EUR/INR	90.22	89.63
GBP/INR	105.29	101.90
AED/INR	22.69	22.38
CHF/INR	92.43	89.93
JPY/INR	0.55	0.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO, GBP, etc. against ₹ at 31 March 2024 and 31 March 2023 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(₹ Lacs)

Particulars	Profit or loss (before tax)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (1% movement)	1,357.41	(1,357.41)	889.18	(889.18)
EURO (1% movement)	9.22	(9.22)	6.04	(6.04)
GBP (1% movement)	5.78	(5.78)	3.79	(3.79)
AED (1% movement)	0.00	(0.00)	0.00	(0.00)
CHF (1% movement)	(0.00)	0.00	(0.00)	0.00
JPY (1% movement)	0.02	(0.02)	0.01	(0.01)
31 March 2023				
USD (1% movement)	1,149.67	(1,149.67)	753.10	(753.10)
EURO (1% movement)	3.39	(3.39)	2.22	(2.22)
GBP (1% movement)	6.23	(6.23)	4.08	(4.08)
AED (1% movement)	0.00	(0.00)	0.00	(0.00)
CHF (1% movement)	(0.39)	0.39	(0.25)	0.25
JPY (1% movement)	(0.00)	0.00	(0.00)	0.00

Interest rate risk

Interest rate risk primarily arises from floating rate borrowings, including various revolving and other lines of credit. The Company's investments are primarily in short–term investments, which do not expose it to significant interest rate risk. The Company's borrowings comprises of term loans, working capital loans and bill discounting which carries variable rate of interest, which expose it to interest rate risk.

a) Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (current and non-current)	275,027.72	261,032.30
Total	**275,027.72**	**261,032.30**

b) Sensitivity **(₹ Lacs)**

Particulars	Profit or loss (before tax)		Equity, net of tax	
	25 basis points Increase	25 basis points Decrease	25 basis points Increase	25 basis points Decrease
31 March 2024 Borrowings (current and non-current)	(670.08)	670.08	(435.92)	435.92
31 March 2023 Borrowings (current and non-current)	(656.54)	656.54	(427.12)	427.12

Note 33.3 : Capital management

The Company's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to uphold investor, creditor and market confidence and to sustain future development and growth of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Company's capital management, adjusted net debt is defined as aggregate on non-current borrowings, current borrowings, current maturities of long-term borrowings and lease liabilities less cash and cash equivalents, deposits and current investments and total equity includes issued capital and all other equity reserves.

The Company's adjusted net debt to equity ratio were as follows: **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (current and non-current)	275,027.72	261,032.30
Less: Cash and cash equivalents including deposits and current investments	(15,941.62)	(11,596.53)
Adjusted net debt	**259,086.10**	**249,435.77**
Total equity	178,539.23	166,729.07
Net debt to equity ratio	**1.45**	**1.50**

Note 34 : Related party disclosures

Note 34.1: Name of related parties and description of relationship

Description of relationship	Names of the related parties
Subsidiaries (including step subsidiaries)	Himatsingka Wovens Private Limited Himatsingka Holdings NA Inc. Himatsingka America Inc. Twill & Oxford LLC (under liquidation, refer note 38)
Key management personnel	Dinesh Kumar Himatsingka – Executive Chairman Shrikant Himatsingka – Executive Vice Chairman & Managing Director S Shanmuga Sundaram – Executive Director Sankaranarayanan. M – Chief Financial Officer (w.e.f. August 17, 2023) K.P. Rangaraj – Chief Financial Officer (upto March 15, 2023) Bindu D – Company Secretary & Compliance Officer (w.e.f. February 3, 2024) Sridhar Muthukrishnan – Company Secretary & Compliance Officer (upto February 2, 2024) **Non-executive directors** Harminder Sahni – Independent Director Sandhya Vasudevan – Independent Director Shyam Powar – Independent Director (w.e.f. May 30, 2023) Ravi Kumar – Independent Director (w.e.f. January 25, 2024) Rajiv Khaitan – Independent Director (upto May 30, 2023) Manish Joshi – Nominee Director (upto June 28, 2023 and nominated again w.e.f. Feb 01, 2024) Sangeeta Kulkarni – Independent Director (upto August 30, 2022) Pradeep Bhargava – Independent Director (upto November 14, 2022) Raja Venkataraman – Independent Director (upto January 02, 2023) V.Vasudevan – Non-Executive Director (upto December 15, 2022)
Transaction with entities over which key management personnel or relatives of such personnel are able to exercise significant influence	Khaitan & Co LLP (upto May, 2023) Jacaranda Design LLC Bihar Mercantile Union Private Limited Orient Silk Private Limited Aditya Resources Limited Priya Resources Private Limited Awdhan Trading Co Ltd Wazir Advisors Private Limited Himatsingka Foundation
Transaction with relatives of key management personnel	Mrs. Rajshree Himatsingka (Wife of Dinesh Kumar Himatsingka) Ms. Priyadarshini Himatsingka (Daughter of Dinesh Kumar Himatsingka) Mrs. Akanksha Himatsingka (Wife of Shrikant Himatsingka)

Note 34.2 : Related party transactions during the year (₹ Lacs)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products to	Himatsingka America Inc.	127,392.20	107,237.68
Purchase of goods from	Himatsingka America Inc.	17,008.19	–
Rental expenses incurred	Himatsingka Wovens Private Limited	78.75	78.75
Reimbursement of expenses	Himatsingka America Inc.	25.71	44.14
Marketing commission incurred	Himatsingka America Inc.	802.01	279.86
Professional fees incurred	Jacaranda Design LLC Khaitan & Co LLP Wazir Advisors Private Limited	165.77 14.28 47.50	166.56 33.08 –
Investment made in	Himatsingka Holdings NA Inc.*	1,678.34	–
Contribution in relation to CSR Expenditure	Himatsingka Foundation	–	241.33
Sale of land	Dinesh Kumar Himatsingka	–	302.00

*refer note 35

Note 34.3 : Balance receivable from and payable to related parties as at the balance sheet date: (₹ Lacs)

Particulars		As at 31 March 2024	As at 31 March 2023
Trade receivables	Himatsingka America Inc.	113,715.98	102,900.12
Other payables	Jacaranda Design LLC Wazir Advisors Private Limited	363.69 4.56	209.33 –
Trade payables	Himatsingka Wovens Private Limited	476.55	439.43
Corporate guarantee given on behalf of	Himatsingka America Inc.	18,342.26	23,506.34
Corporate guarantee taken from	Himatsingka Wovens Private Limited	2,064.87	2,064.87

Refer note 14.1 for details of properties owned by a subsidiary and investment in subsidiaries pledged as securities for borrowings availed by the Company.

Note 34.4 : Compensation and dividend payment to key managerial personnel (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and compensation	821.16	538.83
Commission	265.00	55.00
Dividend paid	–	102.24
Sitting fees	26.00	37.00
	1,112.16	**733.07**

Note 34.5 : Compensation and dividend payment to other related parties

i) Relatives of key management personnel (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and compensation	150.00	149.06
Dividend paid	–	30.68
	150.00	179.74

ii) Entities over which key management personnel are able to exercise significant influence (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend paid		
Bihar Mercantile Union Private Limited	–	31.34
Orient Silk Private Limited	–	17.17
Aditya Resources Limited	–	16.49
Priya Resources Private Limited	–	15.61
Awdhan Trading Co Ltd	–	20.64
Total	**–**	**101.25**

Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are made on normal commercial terms.

Note 35 : Details of non-current investments purchased and sold during the year under Section 186(4) of the Act:

Investments in equity instruments (₹ Lacs)

a) Subsidiaries	Face value per unit	As at 1 April 2023	Purchased during the year#	Sold during the year	Adjustment on account of corporate guarantee	As at 31 March 2024
Himatsingka Wovens Private Limited	INR 100	1,683.98	–	–	–	1,683.98
		(1,750,000)*				(1,750,000)*
Himatsingka Holdings NA Inc. (refer note 4A.1)	USD 10,000	93,960.46	1,678.34	–	38.95	95,677.75
		(12,806)*	(115)*			(12,921)*
Twill & Oxford LLC (refer note 38)	AED 100	37.35	–	–	–	37.35
		(1,470)*				(1,470)*

(₹ Lacs)

a) Subsidiaries	Face value per unit	As at 1 April 2022	Purchased during the year#	Sold during the year	Adjustment on account of corporate guarantee	As at 31 March 2023
Himatsingka Wovens Private Limited	INR 100	1,683.98	–	–	–	1,683.98
		(1,750,000)*				(1,750,000)*
Himatsingka Holdings NA Inc. (refer note 4A.1)	USD 10,000	93,893.14	–	–	67.32	93,960.46
		(12,806)*				(12,806)*
Twill & Oxford LLC (refer note 38)	AED 100	37.35	–	–	–	37.35
		(1,470)*				(1,470)*

* The amounts in parenthesis represents number of shares

Refer note 34

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 36.1: Details of loans given during the year under Section 186(4) of the Act

There are no loans given during the year ended 31 March 2024 (31 March 2023 is Nil)

Note 36.2: Details of guarantees given during the year under Section 186(4) of the Act **(₹ Lacs)**

Guarantee given on behalf of	Nature of relationship	As at 1 April 2023	Given during the year	Closed during the year	Forex restatement	As at 31 March 2024
Himatsingka America Inc.(refer note i)	Subsidiary	18,081.80	–	–	260.46	18,342.26
Himatsingka America Inc.(refer note ii)	Subsidiary	1,315.04	–	1,322.27	7.23	–
Himatsingka America Inc.(refer note iii)	Subsidiary	4,109,50	–	4,132.10	22.60	–

(₹ Lacs)

Guarantee given on behalf of	Nature of relationship	As at 1 April 2022	Given during the year	Closed during the year	Forex restatement	As at 31 March 2023
Himatsingka America Inc.(refer note i)	Subsidiary	16,658.40	–	–	1,423.40	18,081.80
Himatsingka America Inc.(refer note ii)	Subsidiary	1,211.52	–	–	103.52	1,315.04
Himatsingka America Inc.(refer note iii)	Subsidiary	3,786.00	–	–	323.50	4,109.50

Note i): Guarantee given to bank for securing the borrowings given to Himatsingka America Inc.

Note ii): During the year, Corporate guarantee with respect to bond maintained with the Customs department of United States was closed.

Note iii): During the year, Guarantee given to the vendor for purchase of goods by Himatsingka America Inc was closed.

Note 36.3 : The Company has given security to bankers for the loan taken by Himatsingka America Inc (subsidiary) having an outstanding loan balance of ₹ 4,748.44 lacs as at 31 March 2024 (31 March 2023: ₹ 7,790.44 Lacs) The nature of security is as follows: 'First paripassu charge on the moveable and immoveable properties located at Hassan and Doddaballapur plant including proposed project assets present and future.'

Note 38: In the earlier year, the Company as a measure to restructure its luxury retail business had closed its retail store in Dubai and made a provision towards impairment of investment of ₹ 37.35 Lacs.

Notes to the Standalone Financial Statements for the year ended 31 March 2024

Note 37: Additional regulatory information

Analytical Ratios

Ratio	Numerator	Denominator	As at March 2024	As at March 2023	% Variance	Reason for Variance if more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	1.20	1.03	16%	Not applicable.
Debt-equity ratio (in times)	Total Debt = Borrowings	Total equity	1.54	1.57	(1.6)%	Not applicable.
Debt service coverage ratio (in times)	Earning for debt Service = Net profit after taxes + Depreciation and amortisation expense + Finance costs	Debt service (Finance Costs + Current maturities of non-current borrowings)	1.17	0.94	25%	Not applicable.
Return on equity ratio (%)	Net profit after tax	Average total equity	6.7%	(1.8)%	(473.8)%	Stability in cotton price, Decrease in coal price has resulted in improvement of the ratio as compared to last year.
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	3.94	3.69	7%	Not applicable.
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivables	1.62	1.66	(2.4)%	Not applicable.
Trade payables turnover ratio (in times)	Purchase + Other expenses	Average trade payables	2.71	2.55	6%	Not applicable.
Net capital turnover ratio (in times)	Total revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	5.96	31.97	(81.4)%	Due to improvement of net working capital as compared to last year
Net profit ratio (in%)	Net profit after tax	Total revenue from operations	5%	(1.5)%	(407.8)%	Stability in cotton price, Decrease in coal price has resulted in improvement of the ratio as compared to last year.
Return on capital employed (in%)	Earnings before interest and taxes	Capital employed (Total equity + Borrowings+Deferred tax liabilities)	8.72%	3.95%	121%	EBIT has increased due to stability in cotton price, Decrease in coal price has resulted in improvement of the ratio as compared to last year.
Return on investment (in%)	Interest (Finance Income)	Weighted Average Investment	0.00%	5.85%	(100)%	During the year, The Company has not invested in any mutual funds due to which this ratio is not calculated.

Note 39 : Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 40 : Other statutory Information

i) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

ii) The Company do not have any transactions with companies struck off.

iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
   b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii) The Company did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

viii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

As per our report of even date attached

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

Vikram Dhanania
Partner
Membership number : 060568

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Independent Auditors’ Report

To the Members of Himatsingka Seide Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

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

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Sl. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Revenue recognition** (Refer note 2.3to the material accounting policies and the disclosures related to revenues in note 22 to the consolidated financial statements) As per Ind AS 115 Revenue from Contracts with Customers, revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. Revenue from sale of goods is recognised at a point in time when control is transferred to customer and there is no unfulfilled obligation. The Holding Company and its external stakeholders focus on revenue as a key performance indicator. This could result in a risk of revenue being overstated or recognised before control has been transferred. Because of the above factors, we have identified revenue recognition as a key audit matter.	Our audit procedures in respect of this area included: 1. Evaluated the appropriateness of the revenue recognition accounting policies of the Company with the principles of Indian Accounting Standard 115 - 'Revenue from contracts with customer' ('Ind AS 115'). 2. Evaluated the design, implementation and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general information and technology control environment, key IT application controls over the Company's IT systems which govern revenue recognition and sales return in the accounting system. 3. Performed substantive testing by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents like sales invoices/ contracts and related logistics documents. 4. Performed cut off testing to ensure that the revenue is recorded in the appropriate period by reviewing the Holding Company's revenue recognition policies, testing samples of revenue transactions near the end of the reporting period and verified shipping and billing documents to ensure that the revenue is recorded in correct accounting period. 5. Obtained the historical trends for revenue and corresponding sales returns based on the accounting records maintained by the Holding Company. 6. Ensured completeness and existence assertion by performing substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable and obtaining independent balance confirmation from the customers at the balance sheet date. 7. Tested on a sample basis, manual journal entries relating to revenues to identify and inquire on unusual items, if any. 8. Performed analytical procedures on revenue recognised during the year to identify and inquire on unusual variances, if any and getting the reasons for variances confirmed from the management of the Holding Company. 9. Assessed the underlying assumptions and estimates used for determination of variable consideration and tested rebates and discount provided to the customers on a sample basis, comparing the same with underlying approvals and terms of the contracts and schemes offered to customers. 10. Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements to ensure they are accurate, complete, and comply with the requirements of Ind AS 115 - 'Revenue from contracts with customer'.

<table>
<tr><th>Sl. No.</th><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in our audit</th></tr>
<tr><td>2</td><td>Impairment of goodwill

(Refer note 2.11 to the material accounting policies and the disclosures related to goodwill in note 4 to the consolidated financial statements)

The Group has goodwill on account of Himatsingka America Inc (step-down subsidiary) of ₹ 53,086.10 Lacs as on March 31, 2024 (₹ 52,386.74 Lacs as on March 31, 2023).

Goodwill represents 9.16% of the Group's total assets and 34.05% of the Group's total equity.

The Group performs impairment testing for goodwill annually in accordance with the requirements of Ind AS-36 "Impairment of Assets", to test whether the recoverable value is below carrying amount as on March 31, 2024.

In performing such impairment assessments, the Group compared the carrying value of the identifiable cash generating units ("CGUs") to which goodwill had been allocated to their 'value in use'. The computation is based on discounted forecast cash flow method, to determine any impairment loss.

In determining the recoverable value of CGU, the Group has applied judgment in estimating future revenues, profit margins, long-term growth rate and discount rates, which involves inherent uncertainty since they are based on future business prospects and economic outlook. Changes in certain estimates and assumptions can lead to significant changes in the recoverable value and the assessment of impairment.

Due to the materiality of the amount in the context of the consolidated financial statements and significant management judgement required for estimation of recoverable value of CGU, this is considered as a key audit matter.</td><td>Our audit procedures in respect of this area included:

1. Assessed the appropriateness of the Company's/Group's accounting policies relating to the impairment of goodwill with Indian Accounting Standard 36 - Impairment of Assets ('Ind AS 36').

2. Obtained an understanding of the process followed by the management of Holding Company in respect of performing annual impairment analysis and tested the design, implementation and operating effectiveness of the internal controls related to the process of assessment of the annual impairment, including controls over determination of recoverable amounts of CGUs determined by the Holding Company.

3. Evaluated the Group's identification of CGUs, the carrying value of CGU and the valuation methodology followed by the Group for impairment assessment in compliance with the prevailing Indian Accounting Standards.

4. Evaluated the reasonableness of the key assumptions used in computing recoverable amount of CGUs, such as, growth rates, profitability, discount rates, etc., with reference to our understanding of the business and historical trends.

5. Tested key assumptions used by the Group external experts in computing fair value of the CGUs' future revenues, profit margins, long-term growth rate and discount rates. Also, evaluated the competence and objectivity of the external valuation specialist engaged by the management.

6. Involved internal experts for reviewing the reasonableness of the model and the valuation derived from the model.

7. Tested completeness and accuracy of the data input into the model for developing the estimates.

8. Performed a sensitivity analysis to evaluate the impact of changes in key assumptions individually or collectively to the recoverable value.

9. Assessed and validated the adequacy and appropriateness of the disclosures made by the management as per requirement of Ind AS 36 -'Impairment of Assets' in the consolidated financial statements.</td></tr>
</table>

Independent Auditors' Report to the Members of Himatsingka Seide Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2024 (continued)

Sl. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	**Recognition of government grants and assessment of its recoverability** (Refer note 2.7 to material accounting policies and the disclosures related to government grants in Note 7 and 9 to the accompanying consolidated financial statements.) The Holding Company is eligible for government grants under various schemes enacted by the State and the Central Government. Each of these schemes requires fulfilment of certain conditions by the Holding Company to be eligible to receive the grant. Recognition of grants (including its classification as capital or revenue grant) requires a suitable assurance by the Holding Company towards compliance with the conditions specified in the relevant schemes and that the grants will be received. The assessment of fulfilment of relevant conditions specified in the grant at the time of recognition involves judgement and assumptions which are subject to uncertainty. The Holding Company reassesses the recoverability of these grants at each balance sheet date. We have identified recognition of grant and assessment of its recoverability as a key audit matter because of the complexities in establishing the compliance with the eligibility conditions of the grant and judgement involved towards assessment of its recoverability and related provisions made considering the delayed recoveries in accordance with Ind AS 109 'Financial Instruments'.	Our audit procedures in respect of this area included: 1. Evaluated the government grant accounting policies adopted by the management of the Holding Company, for compliance are with Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance 2. Tested the design and operating effectiveness of internal controls with respect to recognition of grants (including its classification as capital or revenue grant) and assessment of its recoverability. 3. Performed substantive testing, on a sample basis, towards recognition of grants in accordance with the respective schemes, its classification as revenue or capital grant and verified the same with supporting documents. 4. Evaluated the Holding Company's assessment of recoverability of respective grants based on ageing analysis and obtained explanations from management to assess the adequacy of the level of provision, if any, required for amounts considered recoverable. 5. Tested the ageing analysis for matter that are not under litigation, and assessed the information used by the management to determine the recoverability of these grants by considering collections against historical trends. 6. Tested the arithmetical accuracy of the calculation of accrual of export benefits and prevailing discount on e-Scrips in compliance with the relevant conditions as specified in the notifications and policies, as applicable. 7. Evaluated management's assessment of determination of provision for time value of money determined on the basis of expected credit loss methodology, evaluated the reasonableness of expected credit loss amount and assessed whether the requirements of applicable accounting principles have been complied. 8. Assessed and validated the adequacy and appropriateness of the disclosures made by the management as per requirement of Ind AS 20 - 'Accounting for Government Grants and Disclosure of Government Assistance' in the consolidated financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

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

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Auditors' responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS

a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 1,31,993.38 Lacs as at March 31, 2024, total revenues of ₹ Nil Lacs, and net cash flows amounting to ₹ 2.19 Lacs, for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

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

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

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

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

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

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

   iv) a) The respective Managements of the Holding Company and one of its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or by its subsidiary Company to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   b) The respective Managements of the Holding Company and one of its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or by its subsidiary Company from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or its subsidiary Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

   v) On the basis of our verification, we report that the Board of Directors of the Holding Company, have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 15 to the consolidated financial statements);

   vi) In regard to SAP S4 HANA

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

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

2) In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of three subsidiaries, as the provisions of the aforesaid section is not applicable to these companies.

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

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

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

Vikram Dhanania
Partner
Membership No. 060568
UDIN: 24060568BKDZHJ8792

Place: Bengaluru
Date : May 23, 2024

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Vikram Dhanania
Partner
Membership No. 060568
UDIN: 24060568BKDZHJ8792

Place: Bengaluru
Date : May 23, 2024

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

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

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

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Himatsingka Seide Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Vikram Dhanania
Partner
Membership No. 060568
UDIN: 24060568BKDZHJ8792

Place: Bengaluru
Date : May 23, 2024

Consolidated Balance Sheet as at 31 March 2024

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

(₹ Lacs)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	229,404.60	240,777.72
Capital work-in-progress	3.1	3,221.06	2,988.06
Goodwill	4	53,086.10	52,386.74
Other Intangible assets	3.3	4,267.61	5,807.33
Right-of-use assets	31	7,916.45	9,430.43
Financial assets			
i) Investments	5A	24.01	23.67
ii) Loans	6	–	56.07
iii) Other financial assets	7	2,320.73	2,206.65
Deferred tax assets (net)	8B	1,720.12	1,672.23
Income tax assets (net)	8A	1,514.02	1,514.02
Other non-current assets	9	3,597.70	5,364.25
Total non-current assets		**307,072.40**	**322,227.17**
Current assets			
Inventories	10	97,964.23	88,484.70
Financial assets			
i) Investments	5B	171.91	964.52
ii) Trade receivables	11	90,165.71	67,002.37
iii) Cash and cash equivalents	12A	3,544.27	5,875.04
iv) Bank balances other than (iii) above	12B	12,848.39	4,929.18
v) Loans	6	78.43	84.93
vi) Other financial assets	7	33,319.39	20,865.73
Other current assets	9	25,730.77	34,550.75
Assets held for sale	13	8,555.60	8,434.11
Total current assets		**272,378.70**	**231,191.33**
Total assets		**579,451.10**	**553,418.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	4,922.86	4,922.86
Other equity	15	150,972.12	139,978.60
Total equity		**155,894.98**	**144,901.46**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	16	159,016.44	147,698.34
ii) Lease liabilities	31	8,967.48	9,830.31
Provisions	17	2,127.57	1,778.86
Deferred tax liabilities (net)	8B	10,087.26	8,163.20
Other non-current liabilities	18	22,981.92	24,788.67
Total non-current liabilities		**203,180.67**	**192,259.38**
Current liabilities			
Financial liabilities			
i) Borrowings	19	120,796.32	121,796.89
ii) Lease liabilities	31	1,004.42	1,277.66
iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	20	14,632.98	8,122.27
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	69,517.48	73,329.39
iv) Other financial liabilities	21	6,371.42	7,537.31
Other current liabilities	18	3,142.66	3,106.77
Provisions	17	1,545.93	1,071.78
Current tax liabilities (net)	8A	3,364.24	15.59
Total current liabilities		**220,375.45**	**216,257.66**
Total liabilities		**423,556.12**	**408,517.04**
Total equity and liabilities		**579,451.10**	**553,418.50**
Summary of material accounting policies	2		

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

As per our report of even date attached

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

Vikram Dhanania
Partner
Membership number: 060568

Place: Bengaluru
Date : 23 May 2024

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

(₹ Lacs)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	22	284,145.10	267,774.26
Other income	23	2,113.30	7,501.85
Total income		**286,258.40**	**275,276.11**
Expenses			
Cost of raw materials and packing materials consumed	24A	130,521.11	128,291.08
Purchases of stock-in-trade	24B	–	6,533.54
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24C	(8,495.53)	19,386.15
Employee benefits expense	25	30,759.15	28,160.14
Finance costs	26	29,646.60	25,723.16
Depreciation and amortisation expense	27	15,810.36	16,403.32
Other expenses	28	71,740.47	58,301.39
Total expenses		**269,982.16**	**282,798.78**
Profit / (loss) before tax		**16,276.24**	**(7,522.67)**
Tax expense			
Current tax	33	5,193.11	15.43
Deferred tax	33	(199.09)	(1,130.13)
Total tax expense		**4,994.02**	**(1,114.70)**
Profit / (loss) for the year		**11,282.22**	**(6,407.97)**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurements of defined employee benefit plan		(388.01)	387.14
Income tax effect on above		135.59	(135.28)
B. Items that may be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(559.12)	5,591.75
Effective portion of gain/(loss) on hedging instruments in cash flow hedge		803.68	(1,558.85)
Income tax effect on above		(280.84)	544.72
Other comprehensive income / (loss) for the year, net of tax		**(288.70)**	**4,829.48**
Total comprehensive income / (loss) for the year		**10,993.52**	**(1,578.49)**
Earnings / (loss) per equity share (face value of ₹ 5 each)			
Basic (in ₹)	34	**11.46**	**(6.51)**
Diluted (in ₹)	34	**11.03**	**(6.51)**
Summary of material accounting policies	2		

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

As per our report of even date attached

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

Vikram Dhanania
Partner
Membership number: 060568

Place: Bengaluru
Date : 23 May 2024

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Consolidated Statement of Cash Flows for the year ended 31 March 2024

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

(₹ Lacs)

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

Consolidated statement of Cash Flows for the year ended 31 March 2024

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

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

	Opening balance 1 April 2023	Net cash flows	Non-cash movement	Closing balance 31 March 2024
Non current borrowings (including current maturities of non current borrowings)	160,425.26	22,988.88	(669.15)	182,744.99
Current borrowings (excluding current maturities of non current borrowings)	109,069.97	(12,006.11)	3.91	97,067.77
Interest accrued but not due	2,362.43	(33,235.85)	33,396.36	2,522.94
Total liabilities from financing activities	**271,857.66**	**(22,253.08)**	**32,731.12**	**282,335.70**

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

	Opening balance 1 April 2022	Net cash flows	Non-cash movement	Closing balance 31 March 2023
Non current borrowings (including current maturities of non current borrowings)	175,934.30	(16,584.47)	1,075.43	160,425.26
Current borrowings (excluding current maturities of non current borrowings)	104,607.02	4,070.23	392.72	109,069.97
Interest accrued but not due	1,781.75	(27,582.29)	28,162.97	2,362.43
Total liabilities from financing activities	**282,323.07**	**(40,096.53)**	**29,631.12**	**271,857.66**

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

Summary of material accounting policies (refer note 2)

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

As per our report of even date attached

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

Vikram Dhanania
Partner
Membership number: 060568

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

Himatsingka Seide Limited

CIN: L17112KA1985PLC006647

Particulars	(₹ Lacs)
A. Equity share capital (refer note 14)	
Balance as at 01 April 2022	**4,922.86**
Changes in equity share capital during the year	–
Balance as at 31 March 2023	**4,922.86**
Changes in equity share capital during the year	–
Balance as at 31 March 2024	**4,922.86**

B. Other Equity (₹ Lacs)

Particulars	Reserves and surplus (Refer note 15)						Other comprehensive income (Refer note 15)		Total Other Equity
	Capital reserve on consolidation	Capital reserve	Securities premium reserve	General reserve	Legal reserve	Retained earnings	Effective portion of cash flow hedge	Foreign currency translation reserve	
Balance as at 1 April 2022	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.01**	**88,554.39**	**619.67**	**7,231.92**	**142,048.49**
Loss for the year	–	–	–	–	–	(6,407.97)	–	–	(6,407.97)
Other comprehensive income for the year, net of tax	–	–	–	–	–	251.86	(1,014.13)	5,591.75	4,829.48
Payment of dividend	–	–	–	–	–	(492.29)	–	–	(492.29)
Foreign exchange differences	–	–	–	–	0.89	–	–	–	0.89
Balance as at 31 March 2023	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.90**	**81,905.99**	**(394.46)**	**12,823.67**	**139,978.60**
Balance as at 1 April 2023	66.74	620.88	27,675.71	17,270.17	9.90	81,905.99	(394.46)	12,823.67	139,978.60
Profit for the year	–	–	–	–	–	11,282.22	–	–	11,282.22
Other comprehensive income for the year, net of tax	–	–	–	–	–	(252.42)	522.84	(559.12)	(288.70)
Balance as at 31 March 2024	**66.74**	**620.88**	**27,675.71**	**17,270.17**	**9.90**	**92,935.79**	**128.38**	**12,264.55**	**150,972.12**
Summary of material accounting policies (refer note 2)									

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

As per our report of even date attached

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

Vikram Dhanania
Partner
Membership number: 060568

Place: Bengaluru
Date : 23 May 2024

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

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Corporate information

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

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

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

1. Statement of compliance

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

1.1 Functional and presentation currency

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

1.2 Basis of preparation

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

a) Defined benefit and other long-term employee benefits that are measured at present value of defined benefit obligations less fair value of plan assets.

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

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

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

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

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

1.3 Use of estimates, assumptions and judgements

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

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

Assumptions, judgements, and estimations

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

Determination of the estimated useful lives:

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

Recognition and measurement of defined benefit obligations:

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

Impairment testing:

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

Expected credit losses on financial assets:

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

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

Provisions & contingent liabilities:

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

Government Grants:

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

1.4 Measurement of fair values

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

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

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

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

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

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

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

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

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

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

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

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

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

1.5 Current versus non-current classification

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

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

2. Material accounting policies

2.1 Basis of consolidation

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

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

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

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

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

2.2 Business combination

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

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

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

2.3 Revenue recognition

Revenue from contracts with customers -sale of goods:

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

The Group derives its revenue primarily from sale of products.

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

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

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

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

Scrap sales:

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

Contract balances:

Trade receivables

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

Cost to obtain a contract and cost to fulfil a contract

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

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

2.4 Other income

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

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

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

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

2.5 Leases

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

Group as a lessee

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

i) Right-of-use assets

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

ii) Lease liabilities

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

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

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

Group as a lessor

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

2.6 Borrowing costs

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

2.7 Government grants

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

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

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

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

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

2.8 Employee benefits

a) Defined benefit plans

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

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

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

b) Short term employee benefits

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

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

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

c) Compensated absences

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

d) Defined contribution plan

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

2.9 Income taxes

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

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

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

Deferred tax is not recognized for:

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

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

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

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

2.10 Property, plant and equipment

a) Recognition and measurement:

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

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

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

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

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

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

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

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

b) Depreciation:

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

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

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

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

Land is not depreciated.

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

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

2.11 Goodwill and Other Intangible Assets

a) Goodwill

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

Other intangible assets

i) Recognition and measurement

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

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

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

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

ii) Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii) Amortization

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

The estimated useful lives of intangibles (including internally generated intangible assets) are as follows:

Class of asset	Useful life
Computer software	4 – 10 years
Technical know-how	10 years
Brands and licenses	3 –10 years

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

iv) Derecognition of intangible assets

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

2.12 Impairment of non-financial assets

Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and is not reversed in the subsequent period.

Other intangible assets and property, plant and equipment

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

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

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

2.13 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and traded goods, cost comprises of cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

2.14 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the consolidated statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Also refer note 2.6 regarding exchange differences relating to foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

2.15 Provisions and contingent liabilities

Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (where the effect of time value of money is material, representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognized as finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed by way of note to the consolidated financial statements.

2.16 Financial Instruments

a) Initial recognition and initial measurement

The financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement

i) Financial assets

On initial recognition, a financial asset is classified and measured at:

- amortized cost;
- fair value through other comprehensive income (FVOCI) - debt investment;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not re-classified subsequent to their initial recognition, except if and in the period there are changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in the consolidated statement of profit and loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective amortized cost interest method reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Any gain or loss on derecognition is recognized in the consolidated statement of profit and loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit and loss.
Equity investments recognized at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to the consolidated statement of profit and loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12 month ECL.

Derecognition of financial assets

A financial asset is derecognized only when:

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an asset is transferred, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset.

ii) Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated statement profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the consolidated statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in consolidated statement of profit and loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.

Derecognition

The Group derecognizes financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.17 Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the consolidated statement of profit and loss.

The Group designates their derivatives as hedge instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the consolidated statement of profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to the consolidated statement of profit and loss in the same period or periods during which the hedged expected future cash flows affect the consolidated statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instruments is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the consolidated statement of profit and loss in the same period or periods as the hedged expected future cash flows affect the consolidated statement of profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the consolidated statement of profit and loss.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains, net within results from operating activities.

2.18 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Holding Company for the year by the weighted average number of equity shares outstanding during the reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of statement of cash flows, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.20 Statement of Cash flows

Cash flows are reported using the indirect method, whereby net profit/loss before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.21 Cash dividend

The Group recognizes a liability to make dividend distributions to equity holders of the Group when the distribution is authorized, and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the respective company's Board of Directors.

2.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.23 Non-current assets for sale

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

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

2.24 New Standards, Interpretations and Amendments adopted by the Group

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Note 3.1: Property plant and equipment

(₹ Lacs)

Particulars	Land (refer note 3.1.3)	Buildings	Plant and equipment	Furniture and fixtures	Leasehold improvements	Office equipments	Vehicles	Total	Capital work in progress (refer note 3.2)
Cost:									
Balance as at 1 April 2022	**28,900.34**	**71,472.84**	**237,057.03**	**13,220.50**	**3,413.36**	**7,976.12**	**185.34**	**362,225.53**	**4,428.46**
Additions	–	2,333.60	443.28	36.35	–	210.37	–	3,023.60	1,952.44
Disposals	(282.21)	–	(2,918.69)	–	–	–	–	(3,200.90)	–
Transfers/Capitalised	–	–	–	–	–	–	–	–	(3,392.84)
Other adjustments	–	–	246.52	827.77	316.95	182.06	(0.04)	1,573.26	–
Balance as at 31 March 2023	**28,618.13**	**73,806.44**	**234,828.14**	**14,084.62**	**3,730.31**	**8,368.55**	**185.30**	**363,621.49**	**2,988.06**
Balance as at 1 April 2023	**28,618.13**	**73,806.44**	**234,828.14**	**14,084.62**	**3,730.31**	**8,368.55**	**185.30**	**363,621.49**	**2,988.06**
Additions	–	88.43	2,816.90	0.77	–	62.08	–	2,968.18	3,131.32
Disposals	–	–	(339.86)	–	–	(1.10)	(86.54)	(427.50)	–
Transfers/Capitalised	–	–	–	–	–	–	–	–	(2,898.32)
Other adjustments	–	–	68.27	164.46	57.05	53.74	0.02	343.54	–
Balance as at 31 March 2024	**28,618.13**	**73,894.87**	**237,373.45**	**14,249.85**	**3,787.36**	**8,483.27**	**98.78**	**366,505.71**	**3,221.06**
Accumulated depreciation:									
Balance as at 1 April 2022	–	**(11,000.24)**	**(80,877.68)**	**(8,524.34)**	**(2,381.68)**	**(6,733.91)**	**(126.77)**	**(109,644.62)**	–
Depreciation charge for the year	–	(2,583.29)	(10,702.24)	(1,057.85)	(148.67)	(355.72)	(4.56)	(14,852.33)	–
Disposals	–	–	2,687.84	–	–	–	–	2,687.84	–
Other adjustments	–	–	(85.14)	(560.49)	(245.45)	(143.62)	0.04	(1,034.66)	–
Balance as at 31 March 2023	**–**	**(13,583.53)**	**(88,977.22)**	**(10,142.68)**	**(2,775.80)**	**(7,233.25)**	**(131.29)**	**(122,843.77)**	**–**
Balance as at 1 April 2023	–	**(13,583.53)**	**(88,977.22)**	**(10,142.68)**	**(2,775.80)**	**(7,233.25)**	**(131.29)**	**(122,843.77)**	**–**
Depreciation charge for the year	–	(2,603.17)	(10,721.35)	(710.31)	(122.78)	(243.09)	(4.52)	(14,405.22)	–
Disposals	–	–	335.94	–	–	0.95	86.54	423.43	–
Other adjustments	–	–	(45.02)	(137.71)	(45.78)	(47.02)	(0.02)	(275.55)	–
Balance as at 31 March 2024	**–**	**(16,186.70)**	**(99,407.65)**	**(10,990.70)**	**(2,944.36)**	**(7,522.41)**	**(49.29)**	**(137,101.11)**	**–**
Net book value:									
As at 31 March 2024	**28,618.13**	**57,708.17**	**137,965.80**	**3,259.15**	**843.00**	**960.86**	**49.49**	**229,404.60**	**3,221.06**
As at 31 March 2023	**28,618.13**	**60,222.91**	**145,850.92**	**3,941.94**	**954.51**	**1,135.30**	**54.01**	**240,777.72**	**2,988.06**

Note 3.1.1 :

Security

Refer note 16.1 and 19.2 for information on property, plant and equipment pledged as security by the Holding Company / Group.

Note 3.1.2 :

Other adjustments include exchange fluctuation arising on account of translation of foreign operations.

Note 3.1.3 :

The Holding Company has entered into lease cum sale agreement with Karnataka Industrial Area Development Board ('KIADB') for purchase of land under a lease cum sale agreement amounting to ₹ 6,585.19 Lacs. The Holding Company is in the process of applying for the transfer of such land in its name.

Note 3.1.4 :

The above assets other than to the extent mentioned in note 3.1.3 above are owned by the Group.

Note 3.2: Capital work-in-progress

a) Capital work-in-progress ageing : **(₹ Lacs)**

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,039.85	814.58	366.63	–	3,221.06
Projects temporarily suspended	–	–	–	–	–
Balance as at 31 March 2024	**2,039.85**	**814.58**	**366.63**	**–**	**3,221.06**
Projects in progress	1,502.12	1,362.14	123.80	–	2,988.06
Projects temporarily suspended	–	–	–	–	–
Balance as at 31 March 2023	**1,502.12**	**1,362.14**	**123.80**	**–**	**2,988.06**

There are no projects where the completion is overdue or cost has exceeded when compared to its original plan.

Note 3.3: Other intangible assets **(₹ Lacs)**

Particulars	Computer software	Technical know-how	Brands & Licenses	Total
Cost:				
Balance as at 1 April 2022	**8,053.51**	**347.99**	**32,973.03**	**41,374.53**
Additions	349.44	–	–	349.44
Disposals	–	–	–	–
Other adjustments	301.51	–	824.83	1,126.34
Balance as at 31 March 2023	**8,704.46**	**347.99**	**33,797.86**	**42,850.31**
Balance as at 1 April 2023	**8,704.46**	**347.99**	**33,797.86**	**42,850.31**
Additions	87.52	–	–	87.52
Disposals	–	–	–	–
Other adjustments	55.17	–	181.89	237.06
Balance as at 31 March 2024	**8,847.15**	**347.99**	**33,979.75**	**43,174.89**
Accumulated amortisation:				
Balance as at 1 April 2022	**(3,841.87)**	**(162.10)**	**(30,885.84)**	**(34,889.81)**
Amortisation	(372.12)	(32.42)	(1,278.83)	(1,683.37)
Disposals	–	–	–	–
Other adjustments	(119.74)	–	(350.06)	(469.80)
Balance as at 31 March 2023	**(4,333.73)**	**(194.52)**	**(32,514.73)**	**(37,042.98)**
Balance as at 1 April 2023	**(4,333.73)**	**(194.52)**	**(32,514.73)**	**(37,042.98)**
Amortisation	(372.11)	(32.42)	(1,286.38)	(1,690.91)
Disposals	–	–	–	–
Other adjustments	(22.68)	–	(150.71)	(173.39)
Balance as at 31 March 2024	**(4,728.52)**	**(226.94)**	**(33,951.82)**	**(38,907.28)**
Net book value as at 31 March 2024	**4,118.63**	**121.05**	**27.93**	**4,267.61**
Net book value as at 31 March 2023	**4,370.73**	**153.47**	**1,283.13**	**5,807.33**

Note 3.3.1:

Other adjustments include exchange fluctuation arising on account of translation of foreign operations.

Note 4: Goodwill **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Cost		
Balance at beginning of year	52,386.74	48,415.25
Effect of foreign currency exchange differences	699.36	3,971.49
Balance at end of year	**53,086.10**	**52,386.74**

i) Impairment tests for goodwill

Goodwill acquired through business combination pertains to the Textile Segment which is the only reportable segment.

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Textile Segment	53,086.10	52,386.74

ii) Significant estimate: Key assumptions used for value-in-use calculations

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations on a discounted cash flow method which require the use of assumptions. Management prepare forecast for a period of five years and applies perpetuity growth rate of 2.5% from 5th year onwards. The calculations use cash flow projections calculated using the estimated growth and pre-tax discount rates stated below.

The following table sets out the key assumptions for the CGU that have significant goodwill allocated to them:

Assumptions	As at 31 March 2024	As at 31 March 2023
Sales Growth (% annual growth rate)	4% – 15%	4% – 11%
EBITDA Growth (%)	5% – 10%	4% – 11%
Pre-tax discount rate (%)	10.53%	11.31%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used for determining values
Sales Growth	Average annual growth rate over the forecasted period; based on past performance and management's expectations for the future.
EBITDA (%)	Based on past performance and management's expectations for the future.
Pre-tax discount rate (%)	Reflect specific risks relating to the relevant segment and the country in which it operates.

Note 5 : Investments **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Note 5A: Non-current investments		
Unquoted - Investments carried at fair value through profit and loss		
Investments in equity instruments	24.01	23.67
Total	**24.01**	**23.67**

Note 5A.1: Details of investments **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in equity instruments		
Industria e Universita S.r.l. (No. of shares : 13,005,000) (As at 31 March 2023: 13,005,000)	24.01	23.67
Total	**24.01**	**23.67**
Aggregate value of unquoted investments	24.01	23.67

Note 5B: Current investments (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Investments in equity instruments (Unquoted - at fair value)		
Atria Wind Power (Chitradurga) Private Limited	170.99	606.51
Equity shares of INR 251 each fully paid up		
[No. of shares: 68,123 (As at 31 March 2023 : 2,41,637)]		
Atria Wind Power (Basavana Bagewadi) Private Limited	0.92	358.01
Equity shares of INR 193.28 each fully paid up		
[No. of shares: 478 (As at 31 March 2023 : 1,85,226)]		
Total	**171.91**	**964.52**
Aggregate value of unquoted investments	171.91	964.52

Note 6: Loans (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Loans to employees	–	56.07
Total	**–**	**56.07**
Current		
Unsecured, considered good		
Loans to employees	78.43	84.93
Total	**78.43**	**84.93**

Note 7: Other financial assets (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Unsecured, considered good		
Fixed deposits with banks with maturity period more than twelve months	5.06	510.06
Electricity deposits	2,132.72	1,052.05
Other deposits	182.95	644.54
Total	**2,320.73**	**2,206.65**
Current		
Unsecured, considered good		
Interest subsidy receivable [net of credit impaired ₹ 394.42 Lacs (31 March 2023: Nil)]	2,679.62	2,807.92
Subsidy receivable under various government schemes	19,268.18	15,487.03
Interest receivable	138.93	89.09
Security deposits	252.72	192.42
Other receivables	10,668.58	2,175.18
Derivative assets - foreign exchange forward contracts	311.36	114.09
Total	**33,319.39**	**20,865.73**

Note 8: Tax assets and liabilities

Note 8 (A): Income tax assets and liabilities

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current income tax assets		
Advance tax and taxes deducted at source	22,689.02	22,689.02
Less: Provisions related to the above	(21,175.00)	(21,175.00)
Income tax assets (net)	**1,514.02**	**1,514.02**
Current tax liabilities		
Income tax provisions	15,987.12	12,547.23
Less: Advance tax and taxes deducted at source related to above	(12,622.88)	(12,531.64)
Current tax liabilities (net)	**3,364.24**	**15.59**

Note 8 (B): Deferred tax liabilities (net)*

The following is the analysis of the net deferred tax asset/(liability) position as presented in the financial statements (₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Property, plant and equipment and other intangible assets	32,346.94	31,760.90
Cash flow hedge	68.74	–
Total deferred tax liabilities (A)	**32,415.68**	**31,760.90**
Deferred tax assets		
Provision for gratuity and compensated absences	1,416.86	993.78
Cash flow hedge	–	212.10
Leases	161.79	161.79
Minimum alternate tax (MAT) credit entitlement	15,897.13	17,860.51
Others - business losses, unabsorbed depreciation and other disallowances	6,572.76	6,041.75
Total deferred tax assets (B)	**24,048.54**	**25,269.93**
Net deferred tax liability (A - B)	**8,367.14**	**6,490.97**
*Refer note 33		
Deferred tax presentation in balance sheet comprises of:		
Deferred tax liabilities, (net) (C)	10,087.26	8,163.20
Deferred tax assets, (net) (D)	1,720.12	1,672.23
Net deferred tax liability (C - D)	**8,367.14**	**6,490.97**

Note 9: Other assets

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Capital advances	655.67	1,084.91
Contract acquisition costs	2,885.55	4,225.15
Others	56.48	54.19
Total	**3,597.70**	**5,364.25**
Current		
Advances to suppliers	1,845.14	17,687.66
Balances with government authorities (other than income taxes)	10,405.14	6,243.27
Subsidy receivable under various government schemes	8,028.21	5,960.75
Prepaid expenses	3,753.90	2,632.13
Contract acquisition costs	1,615.87	1,945.16
Others	82.51	81.78
Total	**25,730.77**	**34,550.75**

Note 10: Inventories

(Valued at lower of cost and net realizable value)* **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials and packing materials	5,933.63	5,137.03
Work-in-progress	27,802.95	9,419.40
Finished goods	62,259.61	72,147.63
Stores and spares	1,968.04	1,780.64
Total	**97,964.23**	**88,484.70**
* Refer note 19.2		
Included above, goods-in-transit:		
Raw materials	660.09	–
Work-in-progress	16,760.24	–
Finished goods	36,219.94	–
Total	**53,640.27**	**–**

Note 11: Trade receivables **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured, considered good	91,617.19	67,705.18
Less: Allowance for expected credit loss	(1,451.48)	(702.81)
Net Trade receivables	**90,165.71**	**67,002.37**

Note 11.1: Bill discounting:

At the end of the reporting period, the carrying amount of the trade receivables that have been discounted (with recourse) but have not been derecognized amounted to ₹18,016.77 Lacs (31 March 2023: ₹27,223.01 Lacs) and associated liability has been disclosed as bill discounting (refer note 19).

Note 11.2: Expected credit loss assessment for trade receivables as at 31 March 2024 and 31 March 2023 are as follows:

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The movement in allowance for credit loss in respect of trade and other receivables are as follows -

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	702.81	2,334.33
Change in allowance for expected credit loss (net)	766.61	(1,809.94)
Foreign exchange differences	(17.94)	178.42
Balance at end of the year	**1,451.48**	**702.81**

The Group's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in note 35.

Note 11.3: Trade receivables ageing schedule

As at 31 March 2024

(₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 -2 years	2 -3 years	More than 3 years	
Undisputed Trade receivables - considered good	54,371.33	33,358.40	1,103.87	416.98	41.66	55.47	89,347.71
Undisputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables - credit impaired	–	43.03	142.17	69.26	132.17	136.11	522.74
Disputed Trade Receivables - considered good	–	–	–	277.60	316.21	224.19	818.00
Disputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables - credit impaired	–	–	–	401.84	526.90	–	928.74
Total	**54,371.33**	**33,401.43**	**1,246.04**	**1,165.68**	**1,016.94**	**415.77**	**91,617.19**
Less: Allowance for expected credit loss							(1,451.48)
Net Trade receivables							**90,165.71**

As at 31 March 2023

(₹ Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 -2 years	2 -3 years	More than 3 years	
Undisputed Trade receivables - considered good	56,227.16	8,416.61	292.98	646.07	238.58	137.03	65,958.43
Undisputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade Receivables - considered good	–	57.96	621.48	843.12	–	224.19	1,746.75
Disputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables - credit impaired	–	–	–	–	–	–	–
Total	**56,227.16**	**8,474.57**	**914.46**	**1,489.19**	**238.58**	**361.22**	**67,705.18**
Less: Allowance for expected credit loss							(702.81)
Net Trade receivables							**67,002.37**

Note 12A: Cash and cash equivalents

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents consist of		
Cash on hand	10.41	6.63
Balance with banks		
– in current accounts	3,533.86	5,868.41
Total	**3,544.27**	**5,875.04**

Note 12B: Bank balances other than cash and cash equivalents

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Other bank balances (refer note 12.1)	56.75	75.57
Deposits with banks with maturity of more than three months but less than twelve months	12,791.64	4,853.61
Total	**12,848.39**	**4,929.18**

Note 12.1 : Other bank balances represent earmarked balances in respect of unpaid dividends.

Note 13: Assets held for sale **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Buildings (refer note 13.1)	8,555.60	8,434.11
Total	**8,555.60**	**8,434.11**

Note 13.1: Represents buildings at a subsidiary which is closed as a part of restructuring. No impairment loss was recognised on reclassification of the building as held for sale as at 31 March 2024 as the Group expect that the fair value less costs to sell is higher than the carrying amount.

Note 14: Equity share capital **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
15,00,00,000 equity shares (31 March 2023: 13,40,00,000 equity shares) of par value of ₹ 5 each	7,500.00	6,700.00
Issued		
9,84,96,160 equity shares (31 March 2023: 9,84,96,160 equity shares) of par value of ₹ 5 each	4,924.81	4,924.81
Subscribed and fully paid-up		
9,84,57,160 equity shares (31 March 2023: 9,84,57,160 equity shares) of par value of ₹ 5 each	4,922.86	4,922.86

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount (₹ Lacs)	Number of shares	Amount (₹ Lacs)
At the commencement of the year	9,84,57,160	4,922.86	9,84,57,160	4,922.86
At the end of the year	9,84,57,160	4,922.86	9,84,57,160	4,922.86

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Details of shareholders holding more than 5% of equity shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 5 each				
Dinesh Kumar Himatsingka	11,902,000	12.09%	11,902,000	12.09%
Shrikant Himatsingka	8,546,964	8.68%	8,546,964	8.68%
Bihar Mercantile Union Private Limited	6,268,234	6.37%	6,268,234	6.37%
Rajshree Himatsingka	5,897,260	5.99%	5,897,260	5.99%

Details of shareholding of promoters in the equity share capital of the Company

Promoters name	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Dinesh Kumar Himatsingka	11,902,000	12.09%	0.00%	11,902,000	12.09%	0.00%
Shrikant Himatsingka	8,546,964	8.68%	0.00%	8,546,964	8.68%	0.00%
Bihar Mercantile Union Private Limited	6,268,234	6.37%	0.00%	6,268,234	6.37%	0.00%
Rajshree Himatsingka	5,897,260	5.99%	0.00%	5,897,260	5.99%	0.00%
Awdhan Trading Company Limited	4,128,736	4.19%	0.00%	4,128,736	4.19%	0.00%
Orient Silk Private Limited	3,434,768	3.49%	0.00%	3,434,768	3.49%	0.00%
Aditya Resources Limited	3,297,470	3.35%	0.00%	3,297,470	3.35%	0.00%
Priya Resources Private Limited	3,121,360	3.17%	0.00%	3,121,360	3.17%	0.00%
Priyadarshini Himatsingka	237,800	0.24%	0.00%	237,800	0.24%	0.00%

Note 15: Other Equity **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve (refer note 15.1)	687.62	687.62
Securities premium (refer note 15.2)	27,675.71	27,675.71
General reserve (refer note 15.3)	17,270.17	17,270.17
Legal reserve (refer note 15.4)	9.90	9.90
Retained earnings (refer note 15.5)	92,935.79	81,905.99
Reserves and Surplus	**138,579.19**	**127,549.39**
Effective portion of cash flow hedge (refer note 15.6)	128.38	(394.46)
Foreign currency translation reserve	12,264.55	12,823.67
Other comprehensive income	**12,392.93**	**12,429.21**
Total	**150,972.12**	**139,978.60**

Notes:

15.1 Any profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments is transferred to capital reserves. The reserve is not available for distribution.

15.2 Amounts received on issue of shares in excess of the par value have been classified as securities premium. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

15.3 This represents appropriation of profit by the Group. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

15.4 Legal reserve represents the reserve as mandated by the Italian Civil Code. The same will be utilized for the purposes as permitted by the Italian Civil Code.

15.5 Retained earnings comprises of the Group's undistributed earnings after taxes. The amount can be distributed by the Company as dividends to its equity shareholders.

15.6 The Effective portion of cash flow hedge represents effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to the consolidated statement of profit and loss when the hedged items (sales of goods) affects profit or loss .

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Legal reserve		
Opening balance	9.90	9.01
Add/(Less): Foreign exchange difference	–	0.89
Total	**9.90**	**9.90**
Retained earnings		
Opening balance	81,905.99	88,554.39
Add: Profit / (loss) for the year	11,282.22	(6,407.97)
Add: Items of OCI recognised directly in retained earnings		
Re-measurements of defined employee benefit plan	(252.42)	251.86
Less: Payment of dividends*	–	(492.29)
Total	**92,935.79**	**81,905.99**
* The Company has proposed dividend of ₹ 0.25 per share for the financial year 2023-24 after the reporting date which is subject to approval at the annual general meeting. Such dividend has not been recognised as liabilities at year end. (31 March 2023: Final dividend of ₹ 0.50 per share for the financial year 2021-22)		
Effective portion of cash flow hedge		
Opening balance	(394.46)	619.67
Effective portion of gain / (loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges recognised in cash flow hedge reserve	312.41	(8,369.64)
Cumulative (gain) / loss reclassified to profit or loss	491.27	6,810.79
Income tax related to net gain / (loss) recognised in other comprehensive income	(280.84)	544.72
Total	**128.38**	**(394.46)**
Foreign currency translation reserve		
Opening balance	12,823.67	7,231.92
Other Comprehensive Income for the year, net of tax	(559.12)	5,591.75
Total	**12,264.55**	**12,823.67**

Note 16: Non current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured loans: (refer note 16.1)		
Term loans		
From banks	43,383.40	49,753.91
From financial institutions	59,943.69	64,308.38
Non Convertible Debentures		
4,600, redeemable, non convertible debentures (NCD), of face value ₹ 10,00,000 each. (31 March 2023 : 3,420)	45,389.96	33,636.05
Unsecured loans: (refer note 16.1)		
Foreign currency convertible bonds (FCCB) (refer note below)	10,299.39	–
Total	**159,016.44**	**147,698.34**

Note: During the year, the Company issued 12,500 foreign currency convertible bonds of USD 1,000 each. Interest is payable on semi annual basis. 50% of the principal amount of the loan is repayable at the end of 5 years from the issue date of first tranche (26 April 2023) and balance 50% at the end of 5 years 6 months or can be converted at any time into equity shares at the holder's option.

Note 16.1: Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
i) Term loans from bank (secured)						
Loan 1	8,330.23	1,230.54	9,542.75	307.66	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 structured quarterly installments commencing from 31 December 2019. The outstanding term as of 31 March 2024 was 23 installments.
Loan 2	–	–	–	6,764.85	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	In 3 yearly installments after initial moratorium of 4 years (yearly % of repayment 25%, 35% & 40%). The loan was fully repaid during the year ended 31 March 2024.
Loan 3	2,968.64	2,000.00	4,940.43	500.00	Subservient charge on all present and future moveable fixed assets.	28 quarterly structured installments payable at the end of each quarter starting from 3 months from date of 1st disbursement. The outstanding term as of 31 March 2024 was 10 installments.
Loan 4	2.74	33.85	36.30	35.01	Secured by the asset owned by Himatsingka America Inc.	a) USD 0.55 Lacs is repayable in 48 monthly installments. The loan is fully repaid during the year ended 31 March 2024. b) USD 1.46 Lacs is repayable in 48 monthly installments commencing from April 2021. The outstanding term as of 31 March 2024 was 13 installment
Loan 5	3,836.71	500.00	4,317.54	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 28 quarterly installments commencing from post completion of moratorium period of 12 months. The outstanding term as of 31 March 2024 was 23 installments.
Loan 6	2,920.44	800.00	1,392.50	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 24 quarterly installments commencing from post completion of initial moratorium period of 12 months. The outstanding term as of 31 March 2024 was 19 installments.
Loan 7	6,866.12	1,338.00	8,159.40	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan amount of ₹ 6,000 Lacs shall be repaid in 27 quarterly installments commencing from July 2022. The outstanding term as of 31 March 2024 was 20 installments. Loan amount of ₹ 4,000 Lacs shall be repaid in 21 quarterly installments commencing from August 2023. The outstanding term as of 31 March 2024 was 17 installments.
Loan 8	10,174.09	1,616.00	11,782.81	404.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 30 quarterly installments commencing from September 2022. The outstanding term as of 31 March 2024 was 23 installments.
Loan 9	8,284.43	1,304.03	9,582.18	326.00	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 30 quarterly installments commencing from September 2022. The outstanding term as of 31 March 2024 was 23 installments.
Total	**43,383.40**	**8,822.42**	**49,753.91**	**8,337.52**		

The rate of interest on the above term loans is in the range of 7.56% to 12.80% (31 March 2023 : 7.56% to 12.24%)

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Note 16.1: Details of non-current borrowings and current maturities of non-current borrowings **(₹ Lacs)**

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
ii) Term loan from financial institution (secured)						
Loan 1	–	63.50	62.85	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	32 equal quarterly installments commencing after a moratorium of 1 year from the date of Commencement of Commercial Operation (COD). The outstanding term as of 31 March 2024 was 1 installment.
Loan 2	–	250.83	339.99	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	28 substantially equal quarterly installments commencing after a moratorium of 2 years from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD). The outstanding term as of 31 March 2024 was 3 installments.
Loan 3	7,705.20	1,878.37	10,041.19	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	39 substantially equal quarterly installments commencing after a moratorium of 1 year from Scheduled Commercial Operation Date (SCOD) or Actual Commercial Operation Date (COD) which ever is earlier. The outstanding term as of 31 March 2024 was 14 installments.
Loan 4	17,616.21	2,614.25	21,082.95	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 39 structured quarterly installments commencing after a moratorium of 12 months from the Scheduled Commercial Operation date (or) actual Commercial Operation date which ever is earlier. The outstanding term as of 31 March 2024 was 19 installments.
Loan 5	1,580.21	3,168.24	4,667.22	3,123.22	First paripassu charge on the moveable and immoveable properties located at Hassan and Doddaballapur plant including proposed project assets present and future. Further corporate guarantee is provided by Himatsingka Seide Limited for this loan.	Loan shall be repaid in 20 structured quarterly installments commencing after a moratorium of 2 years from the date of first disbursement. The outstanding term as of 31 March 2024 was 6 installments.
Loan 6	–	–	244.93	244.93	First ranking pledge on the investment made by the Company in Atria Wind Power Limited.	The loan was fully repaid during the year ended 31 March 2024.
Loan 7	–	57.92	57.92	69.54	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from November 2020 The outstanding term as of 31 March 2024 was 7 installments.
Loan 8	–	77.76	77.76	69.98	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from February 2021 The outstanding term as of 31 March 2024 was 10 installments.
Loan 9	–	49.38	50.10	77.51	Secured by the asset which is taken under this facility	Loan shall be repaid in 48 structured Monthly installments commencing from September 2020 The outstanding term as of 31 March 2024 was 5 installments.
Loan 10	49.18	39.43	81.42	39.43	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from April 2021. The outstanding term as of 31 March 2024 was 9 installments.
Loan 11	45.98	40.38	86.36	35.37	Secured by the asset which is taken under this facility	Loan shall be repaid in 20 structured quarterly installments commencing from April 2021. The outstanding term as of 31 March 2024 was 8 installments.

Note 16.1: Details of non-current borrowings and current maturities of non-current borrowings **(₹ Lacs)**

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 12	12.09	7.69	19.78	6.73	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from August 2021. The outstanding term as of 31 March 2024 was 10 installments.
Loan 13	74.55	53.30	127.86	46.68	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from June 2021. The outstanding term as of 31 March 2024 was 9 installments.
Loan 14	82.73	55.14	137.87	48.28	Secured by the asset which is taken under this facility	Loan shall be repaid in 21 structured quarterly installments commencing from July 2021. The outstanding term as of 31 March 2024 was 10 installments.
Loan 15	28.62	13.76	42.38	12.33	Secured by the asset which is taken under this facility	Loan shall be repaid in 60 structured Monthly installments commencing from November 2021. The outstanding term as of 31 March 2024 was 31 installments.
Loan 16	6,825.10	1,875.00	8,638.99	–	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2024 was 18 installments.
Loan 17	4,096.69	1,125.00	5,185.71	–	A) First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future. B) 100% pledge of shares of Himatsingka America Inc USA and Himatsingka Holdings North America Inc (HHNA) held by HHNA and Himatsingka Seide Limited respectively, C) Residual charge on Companies property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by Company's Subsidiary Himatsingka Wovens Private Limited. D) Corporate Guarantee of HWPL (limited to properties charged to Exim Bank).	Loan shall be repaid in 21 structured quarterly installments commencing after a moratorium period of 2 years from first date of disbursement. The outstanding term as of 31 March 2024 was 18 installments.
Loan 18	1,541.19	888.89	2,420.78	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 11 installments.
Loan 19	2,798.17	800.00	3,589.84	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan Shall be repaid in 24 quarterly installments commencing from post completion of principle moratorium period of 12 months. The outstanding term as of 31 March 2024 was 18 installments.
Loan 20	4,443.12	–	4,454.85	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 8 installments.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Note 16.1: Details of non-current borrowings and current maturities of non-current borrowings

(₹ Lacs)

Particulars	As at 31 March 2024		As at 31 March 2023		Nature of security	Repayment/ redemption / other terms
	Non-Current	Current	Non-Current	Current		
Loan 21	2,290.72	597.29	2,897.63	615.40	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 26 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 19 installments.
Loan 22	8,885.57	750.00	–	–	A) First charge on Holding Company's property situated at Midford Garden, M.G. Road & Property situated at Vittal Mallya Road, owned by company's Subsidiary HWPL B) Corporate Guarantee from HWPL only to the extent of properties charged with Exim Bank	Loan shall be repaid in 18 structured quarterly installments commencing after 6 months from the date of disbursement. The outstanding term as of 31 March 2024 was 17 installments.
Loan 23	1,868.36	500.00	–	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	Loan shall be repaid in 20 structured quarterly installments commencing after 3 months from the date of disbursement. The outstanding term as of 31 March 2024 was 19 installments.
Total	**59,943.69**	**14,906.13**	**64,308.38**	**4,389.40**		

The rate of interest on the above term loans is in the range of 9.24% to 13.56% (31 March 2023 : 6.99% to 13.56%).

iii) Non convertible debentures from financial institution (secured)						(₹ Lacs)
NCD 01	45,389.96	–	33,636.05	–	First paripassu charge on entire moveable and immoveable fixed assets of the Hassan and Doddaballapur plant, both present and future.	NCD shall be repaid in 16 equal semi - annual installments commencing after 3 years from the date of disbursement. The outstanding term as of 31 March 2024 was 16 installments.
Total	**45,389.96**	–	**33,636.05**	–		

The rate of interest on the above loan is in the range of 11.54% (31 March 2023 : 11.45%).

iv) Foreign currency convertible bonds from financial institution (unsecured)						(₹ Lacs)
FCCB 01	10,299.39	–	–	–	The foreign currency convertible bonds are not backed by any security.	FCCB shall be repaid in 2 equal installments. 50% of the principal amount of the loan is repayable at the end of 5 years from the issue date of first tranche (26 April 2023) and balance 50% at the end of 5 years 6 months or can be converted at any time into equity shares at the holder's option. The outstanding term as of 31 March 2024 was 2 installments.
Total	**10,299.39**	–	–	–		

The rate of interest on the above Foreign currency convertible bonds is 4.5% (31 March 2023 : Nil).

Note 17: Provisions **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for gratuity (refer note 17.1)	2,127.57	1,778.86
Total	**2,127.57**	**1,778.86**
Current		
Provision for compensated absences	853.00	652.17
Provision for gratuity (refer note 17.1)	692.93	419.61
Total	**1,545.93**	**1,071.78**

Note 17.1: Employee benefits

The Group operates the following post-employment defined benefit plan.

Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. There is no maximum limit for the payment of gratuity benefit. The present value of obligation is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A) Funding

The Group's gratuity scheme for employees is administered through insurance fund. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Group expects to contribute ₹ 692.93 Lacs (31 March 2023 : ₹ 419.61 Lacs) to its defined benefit plans in financial year 2023-24.

The expected maturity analysis of undiscounted gratuity is as follows: **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
1 year	882.52	597.33
2 to 5 years	1,165.09	993.68
6 to 10 years	1,325.20	1,113.96
More than 10 years	1,211.76	1,014.98

B) Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Obligation at the beginning of the year	2,376.20	2,648.34
Interest cost	170.26	142.91
Current service cost	257.48	230.37
Benefits paid	(181.13)	(255.20)
Actuarial (gains)/losses on obligations recognised in other comprehensive income		
– Changes in demographic assumptions	(41.66)	–
– Changes in financial assumptions	7.20	(240.39)
– Experience adjustments	421.74	(149.83)
Obligation at the end of the year	**3,010.09**	**2,376.20**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	177.73	168.09
Interest income on plan assets	12.73	9.07
Contributions	180.99	258.85
Benefits paid	(181.13)	(255.20)
Return on plan assets, excluding interest income recognised in other comprehensive income	(0.73)	(3.08)
Plan assets at the end of the year, at fair value	**189.59**	**177.73**
Net defined benefit liability	**2,820.50**	**2,198.47**

C) i) Expense recognised in the Statement of profit or loss **(₹ Lacs)**

Particulars	31 March 2024	31 March 2023
Current service cost	257.48	230.37
Interest cost	170.26	142.91
Expected return on plan assets	(12.73)	(9.07)
Net gratuity cost	**415.01**	**364.21**

ii) Remeasurement recognised in other comprehensive income **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Actuarial loss on defined benefit obligation	387.28	(390.22)
Return on plan assets, excluding amount recognised in net interest expense	0.73	3.08
Total (gain) / loss recognised in other comprehensive income	**388.01**	**(387.14)**

D) Plan assets **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance fund	189.59	177.73
Total	**189.59**	**177.73**

E) Defined benefit obligation

i) Actuarial assumptions

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	7.10%	7.15%
Future salary growth	5.00%	5.00%
Mortality [IALM 2012–14]	100.00%	100.00%
Attrition rate	2% – 50%	2% – 40%
Weighted average duration of defined benefit obligation (in years)	5	5
Retirement age (in years)	58	58

Notes:

i) The discount rate is based on the prevailing market yield on government bonds as at the balance sheet date for the estimated term of obligations.

ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.

iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Projected benefit obligation on current assumptions	3,010.09	2,376.20
Impact of change in discount rate by +1%	(144.71)	(120.49)
Impact of change in discount rate by -1%	159.72	133.17
Impact of change in salary growth rate by +1%	161.47	134.69
Impact of change in salary growth rate by -1%	(148.81)	(123.96)
Impact of change in attrition rate by +50%	(28.16)	(33.26)
Impact of change in attrition rate by -50%	41.78	40.77
Impact of change in mortality rate by +10%	0.64	0.55
Impact of change in mortality rate by -10%	(0.64)	(0.55)

Defined contribution plans:

The Group's contribution to various defined contribution plans recognised in the statement of profit and loss under the head employee benefit expense are as follows:

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Provident fund	1,564.81	1,452.90
Employee state insurance	308.61	274.49
Total	**1,873.42**	**1,727.39**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Note 18: Other Liabilities **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Non Current		
Deferred income arising from government grants (refer note 18.1)	22,981.92	24,788.67
Total	**22,981.92**	**24,788.67**
Current		
Deferred income arising from government grants (refer note 18.1)	1,923.92	1,915.07
Advances received from customers	247.11	224.78
Statutory liabilities	860.64	879.99
Security deposit received	110.99	86.93
Total	**3,142.66**	**3,106.77**

Note 18.1: Deferred income arising from government grants

The Group has received government grants in the form of import duty exemption and subsidy on purchase of capital goods and purchase of raw materials, to be used for production of goods for exports, based on the terms of the respective schemes. The Group recognises such grants in statement of profit or loss on a systematic basis over the period in which the related expenses (the related costs for which the grants are intended to compensate) are incurred and charged to the income statement. The Group has presented such amortisation of deferred income as a deduction from the related expenses.

Note 19: Current borrowings **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Secured borrowings		
Loans repayable on demand		
From banks (refer note 19.1 and note 19.2)	79,051.00	81,846.96
Bill discounting (refer note 11.1)	18,016.77	27,223.01
Current maturities of non-current borrowing (refer note 16.1)	23,728.55	12,726.92
Total	**120,796.32**	**121,796.89**

Note 19.1 : The weighted average effective interest rate (net of subsidy) on the bank loans is 8.64% per annum (5.24% as at 31 March 2023).

Note 19.2 : Working capital limits secured by pari passu charge by way of hypothecation of stock and book debts of the Group and in case of working capital loan from one bank, there is an additional security by way of first charge over fixed assets of the Group.

Note-19.3 : The Holding Company have filed the quarterly returns or statement with the banks/financial institutions according to the sanctioned working capital facilities, which are in agreement with books of accounts.

Information about the Group's exposure to interest rate, currency and liquidity risk are disclosed in note 35.

Note 20: Trade payables **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 20.1)	14,632.98	8,122.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	69,517.48	73,329.39
Total	**84,150.46**	**81,451.66**

The Group's exposure to currency and liquidity risk are disclosed in note 35.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Note 20.1: Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, small and medium enterprises development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31 March 2024 and 31 March 2023 is as under:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
– Principal*	14,648.12	8,122.27
– Interest	721.56	376.74
The amount of interest paid by the buyer in terms of Section 16 of MSMED Act along with the amount of the payment made to the supplier beyond the appointed day during the year	–	23,519.78
The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	–	319.71
The amount of interest accrued and remaining unpaid at the end of year	–	696.46
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	–	696.46

* Includes principal amount of ₹ 15.14 Lacs (31 March 2023: ₹ Nil) remaining unpaid to capital creditors.

The above disclosure has been made in the consolidated financial statements based on the information received and available with the Group.

Note 20.2: Trade Payables ageing schedule

As at 31 March 2024 (₹ Lacs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
i) MSME*	–	8,869.70	4,290.42	825.19	647.67	–	14,632.98
ii) Others	5,156.73	38,195.51	17,337.80	4,615.70	3,701.78	509.96	69,517.48
iii) Disputed dues – MSME*	–	–	–	–	–	–	–
iv) Disputed dues – Others	–	–	–	–	–	–	–
Total	**5,156.73**	**47,065.21**	**21,628.22**	**5,440.89**	**4,349.45**	**509.96**	**84,150.46**

As at 31 March 2023 (₹ Lacs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
i) MSME*	–	4,767.98	2,356.88	997.41	–	–	8,122.27
ii) Others	3,758.27	43,846.90	16,625.25	7,859.71	326.58	912.68	73,329.39
iii) Disputed dues – MSME*	–	–	–	–	–	–	–
iv) Disputed dues – Others	–	–	–	–	–	–	–
Total	**3,758.27**	**48,614.88**	**18,982.13**	**8,857.12**	**326.58**	**912.68**	**81,451.66**

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Note 21: Other financial liabilities **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Capital creditors (refer note 21.1)	809.71	1,634.96
Employee related liabilities	2,867.62	2,743.30
Interest accrued but not due on borrowings	2,522.94	2,362.43
Derivative liabilities - foreign exchange forward contracts	114.40	721.05
Unclaimed dividend (refer note 21.2)	56.75	75.57
Total	**6,371.42**	**7,537.31**

The Group's exposure to currency and liquidity risk are disclosed in note 35.

Note 21.1: Includes principal amount of ₹ 15.14 Lacs (31 March 2023: Nil) related to micro enterprises and small enterprises.
Note 21.2: As at 31 March 2024 (31 March 2023: ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Holding Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

Note 22 : Revenue from operations **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers - sale of goods (refer note 22.2 below)	257,704.76	246,828.63
Other operating revenue (refer note 22.1 below)	26,440.34	20,945.63
Total	**284,145.10**	**267,774.26**

Note 22.1 : Other operating revenue comprises: **(₹ Lacs)**

Revenue from contracts with customers - sale of waste and scrap	4,402.77	3,351.81
Export incentive	21,718.17	17,519.92
Royalty income	319.40	73.90
Total	**26,440.34**	**20,945.63**

Note 22.2 : Disaggregated revenue information:
The Group derives its revenue primarily from sale of textile products. Revenues from different geographic regions based on the location of the customers have been disclosed in note 32(a).

Note 22.3 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contracted price	267,990.28	255,087.89
Less: Rebates, discounts, chargebacks, markdowns, etc.	(5,882.75)	(4,907.45)
Revenue from contracts with customers - sale of goods and sale of waste and scrap	**262,107.53**	**250,180.44**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Note 23 : Other income **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a. Interest income		
Interest from bank deposits	436.55	317.82
Interest on electricity deposits	55.56	47.89
Interest income earned on financial assets that are not designated as at fair value through profit or loss	6.86	7.31
	498.97	**373.02**
b. Other than interest income		
Foreign exchange gain	1,010.66	5,085.53
Profit on sale of current investments	–	8.73
Profit on sale of property, plant and equipment (net)	–	1,895.80
Miscellaneous income	603.67	138.77
	1,614.33	**7,128.83**
Total	**2,113.30**	**7,501.85**

Note 24 : Cost of materials consumed, purchases of stock in trade and changes in inventories **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cost of raw materials and packing materials consumed		
Inventories of raw materials and packing materials at the beginning of the year	5,137.03	9,614.19
Add: Purchase	131,317.71	123,813.92
Less: Inventories of raw materials and packing materials at the end of the year	5,933.63	5,137.03
Cost of raw materials and packing materials consumed	**130,521.11**	**128,291.08**
B. Purchase of stock-in-trade	**–**	**6,533.54**
C. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock :		
– Work in progress	9,419.40	21,388.28
– Finished goods	72,147.63	75,146.29
– Traded goods	–	4,418.61
	81,567.03	**100,953.18**
Closing stock :		
– Work in progress	27,802.95	9,419.40
– Finished goods	62,259.61	72,147.63
	90,062.56	**81,567.03**
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(8,495.53)**	**19,386.15**

Note 25 : Employee benefits expense (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	25,663.64	23,592.13
Contribution to provident and other funds (refer note 17.1)	1,873.42	1,727.39
Gratuity expenses (refer note 17.1)	415.01	364.21
Expenses related to compensated absence	530.42	101.50
Workmen and staff welfare expenses	2,276.66	2,374.91
Total	**30,759.15**	**28,160.14**

Note 26 : Finance Costs (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on :		
Financial liability at amortised Cost		
Interest on term loan [net of subsidy ₹ 4,671.70 Lacs (31 March 2023: ₹ 3,264.02 Lacs)]	12,448.22	11,722.14
Interest on working capital loans	12,130.17	7,678.41
Interest on payment of income tax	213.71	–
Other borrowing costs	4,733.38	6,220.74
Exchange differences regarded as an adjustment to borrowing costs	121.12	101.87
Total	**29,646.60**	**25,723.16**

Note 27 : Depreciation and amortisation expense (₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3.1)	14,405.22	14,852.33
Amortisation of intangible assets (refer note 3.3)	1,690.91	1,683.37
Depreciation on Right-of-use asset (refer note 31)	1,649.98	1,793.88
Less: Amortisation of deferred income on government grants (refer note 18.1)	(1,935.75)	(1,926.26)
Total	**15,810.36**	**16,403.32**

Note 28 : Other expenses

(₹ Lacs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spare parts	1,536.09	1,107.85
Power and fuel	25,617.57	23,103.97
Royalty	6,790.28	10,187.00
Contract labour charges	3,664.11	3,384.43
Freight outward	8,492.65	4,316.02
Advertisement, selling and publicity expenses	9,060.30	2,887.33
Rent (refer note 31)	2,301.36	1,359.11
Travelling and conveyance expenses	1,821.02	2,044.11
Professional and consultancy charges	1,714.18	1,585.73
Payments to auditors (refer note 28.1 below)	84.54	97.92
Sales promotion expenses	1,738.19	749.42
Repairs and maintenance :		
i) plant and machinery	542.93	345.67
ii) buildings	221.13	222.92
iii) others	420.63	439.72
Insurance	1,192.84	1,301.99
Job work charges	1,208.42	761.99
Product design and development charges	355.20	278.06
Water charges	694.67	578.15
Security charges	449.68	395.37
Communication expenses	449.06	833.87
Rates and taxes	222.69	250.80
Printing and stationery	58.93	67.83
Expenditure on corporate social responsibility (CSR) (refer note 28.2 below)	175.00	365.05
Commission on sales	263.72	90.16
Loss on sale of property, plant and equipment (net)	574.42	–
Loss allowance on financial assets (including bad debts written off)	904.51	256.61
Miscellaneous expenses	1,186.35	1,290.31
Total	**71,740.47**	**58,301.39**

Note 28.1 : Payments to auditors **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
– Audit fee*	68.00	83.00
– Tax audit fee	–	1.50
In other capacity:		
– Other services (certification fees)	6.00	1.00
– Reimbursement of expenses	9.54	11.42
	83.54	**96.92**
Remuneration to other auditors for the subsidiaries		
For audit	1.00	1.00
Total	**84.54**	**97.92**

* includes fee for limited reviews

Note 28.2 : Corporate Social Responsibility

The Company has spent towards various schemes of corporate social responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. The details are: **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Amount approved by the Board and required to be spent by the Holding Company during the year	167.41	360.00
ii) Amount of expenditure incurred on:		
a) Construction/acquisition of any asset	–	–
b) On purposes other than (i) above	175.00	123.72
iii) Shortfall/(excess) at the end of the year	(7.59)	241.33
iv) Total of previous years shortfall	–	–
v) Reason for shortfall	–	Pertains to ongoing projects
vi) Nature of CSR activities	Skill development and providing employment to Apprentices under Apprentices Act as per the National Apprenticeship Promotion Scheme (NAPS).	Promoting health care including preventive health care, special education, rural development project and promoting education
vii) Details of related party transactions		
a) Contribution to Himatsingka Foundation in relation to CSR expenditure	–	241.33

*The Company had transferred the unspent amount in respect of ongoing projects to a special account in accordance of with the provisions of the Companies Act 2013.

Note 29 : Commitments

i) Capital Commitments **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,170.32	2,555.66

ii) Other commitments:

The Group has imported capital goods under the Export Promotion Capital Goods (EPCG) scheme and Advance Authorisation to utilise the benefit of zero or concessional custom duty rate. The benefits are subject to future exports within the stipulated period. Such export obligation at year end aggregate to ₹ 6,571.32 Lacs (31 March 2023 : ₹ 5,482.82 Lacs).

Note 30 : Contingent Liabilities **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
a) Claims against Group not acknowledged as debt		
– Income tax matters (refer note 30.1 and 30.2.a)	418.45	211.40
– Custom, service tax and excise duty related matter (excludes penalties, if any) (refer note 30.1 and 30.2.b)	1,521.25	1,310.36
	1,939.70	**1,521.76**
b) Guarantees outstanding		
– Financial institutions	18,342.26	18,081.80
– Others	–	5,424.54
	18,342.26	**23,506.34**
Total	**20,281.96**	**25,028.10**

Note 30.1 : The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows including interest and other consequential payments, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. The Group doesn't expect any reimbursements in respect of the above contingent liabilities.

Note 30.2 :

a) Contingent liabilities under Income Tax Act 1961 of ₹ 418.45 Lacs (31 March 2023 : ₹ 211.40 Lacs) includes:

i) Disputed demands of ₹ 30.50 Lacs (31 March 2023 : ₹ 30.50 Lacs) pertain to AY 2006-07 and AY 2009-10, being disallowance of corporate expenses, disallowance under Section 14A and disallowance of interest under section 36(1)(iii).

ii) Disputed demands of ₹ 287.17 Lacs (31 March 2023 : ₹ 80.12 Lacs) pertain to AY 2018-19, AY 2019-20 and AY 2020-21 relates to withholding of taxes for payment made outside India for consultancy and marketing services.

iii) Other disputed demands of ₹100.78 Lacs (31 March 2023 : 100.78 Lacs) pertain to AY 2008-09 and AY 2016-17 related to Transfer pricing adjustments on account of interest on loan, commission on guarantees provided to subsidiaries etc.

b) Contingent liabilities under Custom, service tax and excise duties of ₹ 1,521.25 Lacs (31 March 2023 : ₹ 1,310.36 Lacs) includes:

i) Disputed demand of ₹ 668.90 Lacs (31 March 2023 : ₹ 668.90 Lacs) relating to transfer price adjustments on certain transactions with related parties.

ii) Disputed demand of ₹ 641.46 Lacs (31 March 2023 : ₹ 641.46 Lacs) on account of classification of imported Textile Sizing Chemical.

iii) Disputed demand of ₹ 98.43 Lacs (31 March 2023 : Nil) relating to reimbursement of expenses incurred outside India and ₹ 112.46 Lacs (31 March 2023 : Nil) on account of Goods and Services Tax (GST) input.

Note 31 : Leases

The Group has certain buildings on lease with contract terms of between 9 and 10 years. Set out below are the carrying amounts of right-of-use assets and the movements during the period:

I) Right-of-use assets: **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Buildings		
Balance as at the beginning of the year	9,430.43	10,096.06
Depreciation for the year	(1,649.98)	(1,793.88)
Foreign exchange	136.00	1,128.25
Balance as at the end of the year	**7,916.45**	**9,430.43**

The Group also has certain buildings and vehicles on lease with contract terms of less than one year. These leases are classified as short-term. The Group has elected not to recognise Right-of-use assets and Lease liabilities for these leases.

II) Lease Liability: **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liabilities	11,107.97	11,628.23
Interest expense on Lease Liabilities	558.94	636.30
Payment of Lease Liabilities	(1,843.32)	(2,249.03)
Foreign exchange	148.31	1,092.47
Balance as at the end of the year	**9,971.90**	**11,107.97**
Current	1,004.42	1,277.66
Non-current	8,967.48	9,830.31

III) Amounts recognised in profit or loss **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities	558.94	636.30
Amortisation expense on Right-of-use asset	(1,649.98)	(1,793.88)
Expenses relating to short-term leases (included in other expenses)	2,301.36	1,359.11

IV) Amounts recognised in statement of cash flows **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
The total cash outflow for leases including cash outflow of short-term leases and leases of low-value assets	4,144.68	3,608.14

Note 32 : Segment Reporting

The Executive Vice Chairman & Managing Director of the group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The group is structured into a single segment of Textiles value chain, and accordingly the CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by the textiles and segment information has been presented accordingly.

The geographical information analyses the Group's revenue from external customer and non-current assets of its single reportable segment by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

a) Geographical revenues are segregated based on the locations of the customers who are invoiced or in relation to which the revenues is otherwise recognised: **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
North America	220,176.46	212,292.82
India and Asia pacific	8,068.04	9,673.87
Europe, Middle East and Africa	28,005.15	23,546.29
Rest of the world	1,455.11	1,315.65
Total	**257,704.76**	**246,828.63**

Revenue generated from major customers

Revenue from two customers (31 March 2023 : two customers) individually contributing 10% or more of Group's revenue was 24.46% and 19.84% (31 March 2023 : 23.85% and 11.00%) of the total revenue respectively.

b) Non - current operating assets **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
India	227,638.27	237,901.01
Outside India	9,255.00	11,672.10
Total	**236,893.27**	**249,573.11**

Non - current assets for this purpose consists of all property, plant and equipment, capital work-in-progress and other intangible assets

Note 33 : Income Taxes

Amount recognized in consolidated statement of profit and loss **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax:		
In respect of the current year	5,193.11	15.43
	5,193.11	**15.43**
Deferred tax:		
In respect of the current year	(199.09)	(1,130.13)
	(199.09)	**(1,130.13)**
Income tax expense reported in the consolidated statement of profit and loss	**4,994.02**	**(1,114.70)**

Income tax recognized in other comprehensive income

Deferred tax : **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Re-measurements of defined employee benefit plan	(135.59)	135.28
Effective portion of gain / (loss) on hedging instruments in cash flow hedges	280.84	(544.72)
Income tax charged to other comprehensive income / (loss)	**145.25**	**(409.44)**

Reconciliation of effective tax rate **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit / (loss) before income tax	16,276.24	(7,522.67)
Enacted income tax rate in India	34.94%	34.94%
Tax using the Holding company's domestic tax rate	5,687.57	(2,628.72)
Effects of tax concessions and MAT entitlement	(1,279.32)	–
Effects of non - deductible expenses for tax purposes	419.68	264.80
Effects due to differential tax rates on capital gains	–	–
Other adjustments	166.09	404.32
Tax credit not recognised of losses of subsidiaries operating in other jurisdictions	–	844.90
Total income tax expense recognised in the consolidated statement of profit and loss	**4,994.02**	**(1,114.70)**

The Group has not elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Note 33 : Income Taxes (continued)

Deferred tax

Deferred tax relates to the following:

(₹ Lacs)

Particulars	As at 01 April 2022	Recognised in profit and loss during 2022-23	Recognised in OCI during 2022-23	Foreign exchange differences	As at 31 March 2023	Recognised in profit and loss during 2023-24	Recognised in OCI during 2023-24	MAT utilisation	Foreign exchange differences	As at 31 March 2024
Deferred tax assets / (liabilities)										
Property, plant and equipment and intangible assets	(30,492.31)	(1,268.59)	–	–	(31,760.90)	(586.04)	–	–	–	(32,346.94)
Cash flow hedge	(332.62)	–	544.72	–	212.10	–	(280.84)	–	–	(68.74)
Provision for gratuity and compensated absences	1,202.06	(73.00)	(135.28)	–	993.78	287.49	135.59	–	–	1,416.86
Leases	161.79	–	–	–	161.79	–	–	–	–	161.79
Minimum alternate tax (MAT) credit	17,860.51	–	–	–	17,860.51	–	–	(1,963.38)	–	15,897.13
Unrealised profits on inventory	568.39	–	–	–	568.39	–	–	–	–	568.39
Others - business losses, unabsorbed depreciation and other disallowances	2,958.28	2,471.72	–	43.36	5,473.36	497.64	–	–	33.37	6,004.37
Deferred tax assets / (liabilities)	**(8,073.90)**	**1,130.13**	**409.44**	**43.36**	**(6,490.97)**	**199.09**	**(145.25)**	**(1,963.38)**	**33.37**	**(8,367.14)**

Note 34 : Earnings / (loss) per equity share **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net profit / (loss) for the year attributable to equity shareholders used in calculation of basic earnings per equity share	11,282.22	(6,407.97)
Add: Interest savings on convertible bonds, net of tax	262.88	–
Net profit / (loss) for the year attributable to equity shareholders used in calculation of diluted earnings per equity share	11,545.10	(6,407.97)

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Number of equity shares outstanding at the beginning of the year	98,457,160	98,457,160
Add: Weighted average number of equity shares issued during the year	–	–
Weighted average number of equity shares outstanding during the year in calculation of basic earnings per equity share	98,457,160	98,457,160
Add: Adjustments for calculation of diluted earnings per equity share:		
Shares issuable under convertible bonds	6,219,509	–
Weighted average number of equity shares adjusted for the effect of dilution	104,676,669	98,457,160

Earnings / (loss) per equity share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic (in ₹)	11.46	(6.51)
Diluted (in ₹)	11.03	(6.51)

Note 35: Financial instruments

Note 35.1 : Categories of financial instruments:

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(₹ Lacs)

Particulars	Carrying amount 31 March 2024	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Measured at amortised cost				
Cash and cash equivalents	3,544.27	–	–	–
Bank balances other than cash and cash equivalents	12,848.39	–	–	–
Trade receivables	90,165.71	–	–	–
Loans (current and non-current)	78.43	–	–	–
Other financial assets (current and non-current)	35,328.76	–	–	–
Measured at fair value in hedging relationship				
Derivative assets	311.36	–	311.36	–
Measured at FVTPL				
Investments (current and non-current)	195.92	–	–	195.92
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	279,812.76	–	–	–
Trade payables	84,150.46	–	–	–
Lease liabilities (current and non-current)	9,971.90	–	–	–
Other financial liabilities (current and non-current)	6,257.02	–	–	–
Measured at fair value in hedging relationship				
Derivative liabilities	114.40	–	114.40	–

(₹ Lacs)

Particulars	Carrying amount 31 March 2023	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Measured at amortised cost				
Cash and cash equivalents	5,875.04	–	–	–
Bank balances other than cash and cash equivalents	4,929.18	–	–	–
Trade receivables	67,002.37	–	–	–
Loans (current and non-current)	141.00	–	–	–
Other financial assets (current and non-current)	22,958.29	–	–	–
Measured at fair value in hedging relationship				
Derivative assets	114.09	–	114.09	–
Measured at FVTPL				
Investments (current and non-current)	988.19	–	–	988.19
Financial liabilities:				
Measured at amortised cost				
Borrowings (current and non-current)	269,495.23	–	–	–
Trade payables	81,451.66	–	–	–
Lease liabilities (current and non-current)	11,107.97	–	–	–
Other financial liabilities (current and non-current)	6,816.26	–	–	–
Measured at fair value in hedging relationship				
Derivative liabilities	721.05	–	721.05	–

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial assets:

The Group has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances and other financial assets because management believes that their carrying amounts are a reasonable approximation of their fair value.

Investments : Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Derivative assets / liabilities : Fair value is arrived from future cash flows based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

Financial liabilities:

Borrowings: It includes loans taken from banks and financial institution, cash credit and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on loans is reset on a monthly / quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed almost equal to the carrying values.

Note 35.2 : Financial risk management:

The Group's activities expose the Group to financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Board of directors of the Holding Company has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. Risk Management Committee examines the priority of risks and mitigation actions.

The Audit Committee of the Holding Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i) Credit risk:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Bank deposits includes an amount of ₹ 11,682.70 Lacs (31 March 2023: ₹ 5,358.61 Lacs) held with banks having high quality credit rating which is individually in excess of 10%

or more of the Group's total bank deposits for the year ended 31 March 2024. None of the other financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 1,42,266.51 Lacs and ₹ 1,01,013.34 Lacs as at 31 March 2024 and 31 March 2023, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets excluding cash in hand and equity investments.

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) is as follows:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Gross %	Net %	Gross %	Net %
North America	74%	74%	80%	83%
Europe, Middle East and Africa	20%	20%	8%	5%
India and Asia pacific	5%	5%	11%	11%
Rest of the world	1%	1%	1%	1%

Geographical concentration of trade receivables is allocated based on the location of the customers.

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation. The Group believes that the working capital and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Management monitors rolling forecast of the Group's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

A) Financing arrangement

The Group maintains the following line of credit:

a) Terms loans taken from bank aggregating to ₹ 52,205.82 Lacs (31 March 2023 : ₹ 58,091.42 Lacs) repayable in various quarterly and yearly installments with interest rate ranging from 7.56% to 12.80% (31 March 2023 : 7.56% to 12.24%) per annum. Term loans, non convertible debentures and foreign currency convertible bonds from financial institutions aggregating to ₹ 1,30,539.17 Lacs (31 March 2023 : ₹ 1,02,333.83 Lacs) with interest rate ranging from 4.5% to 13.56% (31 March 2023 : 6.99% to 13.56%) per annum.

b) Working capital loans from banks carry an effective interest rate of 8.64% (31 March 2023: 5.24%) per annum, computed on a monthly basis on the actual amount utilized, and are repayable as per terms of the facility. Refer note 19.2 for details of security.

c) The Group has receivable bill discounting facility from banks which are payable within 180 days from date of bill discounted.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2024 and 31 March 2023. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2024 **(₹ Lacs)**

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
Financial liabilities:					
Borrowings	279,812.76	345,005.83	137,854.06	168,380.57	38,771.20
Trade payables	84,150.46	84,150.46	84,150.46	–	–
Lease liabilities	9,971.90	12,070.71	1,503.02	7,222.46	3,345.23
Other financial liabilities	6,371.42	6,371.42	6,371.42	–	–

As at 31 March 2023 **(₹ Lacs)**

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 year	1-5 years	5 years and above
Financial liabilities:					
Borrowings	269,495.23	344,199.97	137,431.87	153,522.00	53,246.10
Trade payables	81,451.66	81,451.66	81,451.66	–	–
Lease liabilities	11,107.97	13,732.37	1,833.06	6,761.50	5,137.81
Other financial liabilities	7,537.31	7,537.31	7,537.31	–	–

As disclosed in note 16.1, the Group has secured loan from banks and financial institutions that contains loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk:

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are USD, GBP, EURO etc.

Management monitors the movement in foreign currency and the Group's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Group decides to hedge its foreign currency. A majority portion of the Group's revenues are in foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to foreign currencies, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative and non-derivative financial instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates.

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Sell Contracts:

Currency	As at 31 March 2024			As at 31 March 2023		
	in Foreign Currency in (Million)	₹ Lacs	MTM (₹ Lacs)	in Foreign Currency in (Million)	₹ Lacs	MTM (₹ Lacs)
In USD	118.30	99,486.00	197.27	42.21	34,244.41	(594.87)
Total		**99,486.00**	**197.27**		**34,244.41**	**(594.87)**

The following table gives details in respect of outstanding foreign exchange forward contracts in relation to Buy Contracts:

Currency	As at 31 March 2024			As at 31 March 2023		
	in Foreign Currency in (Million)	₹ Lacs	MTM (₹ Lacs)	in Foreign Currency in (Million)	₹ Lacs	MTM (₹ Lacs)
In USD	1.49	1,248.50	(0.55)	4.54	3,769.62	(12.09)
Total		**1,248.50**	**(0.55)**		**3,769.62**	**(12.09)**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

The foreign exchange forward contracts mature within 12 months. The table below analyses the derivative financial instruments sell contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 30 days	8,377.05	12,431.41
31 to 90 days	18,711.92	15,060.46
91 to 180 days	17,834.80	5,059.14
181 to 365 days	54,562.23	1,693.40
Total	**99,486.00**	**34,244.41**

The table below analyses the derivative financial instruments buy contracts into relevant maturity groupings based on the remaining period as on the balance sheet date:

(₹ Lacs)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 30 days	921.42	–
31 to 90 days	327.08	1,742.76
91 to 180 days	–	1,891.53
181 to 365 days	–	135.33
Total	**1,248.50**	**3,769.62**

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk (unhedged foreign currency exposure) as reported to management is as follows:

Particulars	Currency	As at 31 March 2024		As at 31 March 2023	
		Amount in foreign currency in Lacs	Amount in ₹ Lacs	Amount in foreign currency in Lacs	Amount in ₹ Lacs
Cash and cash equivalents	USD	0.14	11.92	0.21	17.41
	EUR	0.03	3.00	1.60	143.21
	GBP	0.07	7.57	0.38	38.24
Trade receivables	USD	467.94	39,014.15	255.19	20,974.28
	EUR	15.26	1,376.63	9.66	865.66
	GBP	6.80	716.02	7.86	801.02
	AED	0.02	0.35	0.02	0.34
Other non current assets	EUR	0.18	16.51	–	–
Other current assets	USD	0.22	18.47	–	–
	EUR	0.27	24.20	0.28	24.86
	CHF	0.02	2.04	0.01	0.81
	JPY	3.58	1.97	–	–
Borrowings	USD	147.45	12,293.56	82.31	6,764.85
Trade payables	USD	54.32	4,528.94	20.85	1,713.31
	EUR	0.61	54.72	0.46	40.91
	GBP	0.40	41.86	0.21	21.28
	CHF	0.03	2.48	0.44	39.34
	JPY	–	–	0.22	0.13
Other current liabilities	USD	0.16	13.00	1.43	117.55
	EUR	0.00	0.07	0.09	7.77
	GBP	0.91	95.90	0.05	4.59
Other financial liabilities	USD	2.21	184.34	4.01	329.29
	EUR	4.89	440.88	5.97	535.44

The following significant exchange rates have been applied

Currency	Year end spot rate	
	31 March 2024	31 March 2023
USD/INR	83.37	82.19
EUR/INR	90.22	89.63
GBP/INR	105.29	101.90
AED/INR	22.69	22.38
CHF/INR	92.43	89.93
JPY/INR	0.55	0.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO and GBP against ₹ at 31 March 2024 and 31 March 2023 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss (before tax)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (1% movement)	220.25	(220.25)	143.28	(143.28)
EURO (1% movement)	9.25	(9.25)	6.02	(6.02)
GBP (1% movement)	5.86	(5.86)	3.81	(3.81)
AED (1% movement)	0.00	(0.00)	0.00	(0.00)
CHF (1% movement)	(0.00)	0.00	(0.00)	0.00
JPY (1% movement)	0.02	(0.02)	0.01	(0.01)
31 March 2023				
USD (1% movement)	120.67	(120.67)	(78.50)	78.50
EURO (1% movement)	4.50	(4.50)	(2.93)	2.93
GBP (1% movement)	8.13	(8.13)	(5.29)	5.29
AED (1% movement)	0.00	(0.00)	(0.00)	0.00
CHF (1% movement)	(0.39)	0.39	0.25	(0.25)
JPY (1% movement)	(0.00)	0.00	0.00	(0.00)

Interest rate risk

Interest rate risk primarily arises from floating rate borrowings, including various revolving and other lines of credit. The Group's investments are primarily in short-term investments, which do not expose it to significant interest rate risk. The Group's borrowings comprises of term loans, working capital loans and bill discounting which carries variable rate of interest, which expose it to interest rate risk.

a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows: **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (current and non current)	279,812.76	269,495.23
Total	**279,812.76**	**269,495.23**

b) Sensitivity **(₹ Lacs)**

Particulars	Profit or loss (before tax)		Equity, net of tax	
	25 basis points Increase	25 basis points Decrease	25 basis points Increase	25 basis points Decrease
31 March 2024				
Borrowings (current and non current)	(686.63)	686.63	(446.70)	446.70
31 March 2023				
Borrowings (current and non current)	(687.55)	687.55	(447.29)	447.29

Note 35.3: Capital management

The Group's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to uphold investor, creditor and market confidence and to sustain future development and growth of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Group's capital management, adjusted net debt is defined as aggregate on non-current borrowing, current borrowing and current maturities of long-term borrowings and lease liabilities less cash and cash equivalents, deposits and current investments and total equity includes issued capital and all other equity reserves.

The Group's adjusted net debt equity ratio were as follows: **(₹ Lacs)**

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings including lease liabilities (current and non-current)	289,784.66	280,603.20
Less: Cash and cash equivalents including deposits and current investments	(16,512.88)	(12,278.80)
Adjusted net debt	**273,271.78**	**268,324.40**
Total equity	155,894.98	144,901.46
Net debt to equity ratio	**1.75**	**1.85**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Note 36 : Related party disclosures

Note 36.1 : Name of related parties and description of relationship

Description of relationship	Names of the related parties
Key management personnel	Dinesh Kumar Himatsingka - Executive Chairman Shrikant Himatsingka - Executive Vice Chairman & Managing Director S Shanmuga Sundaram - Executive Director Sankaranarayanan. M - Chief Financial Officer (w.e.f. August 17, 2023) K.P.Rangaraj - Chief Financial Officer (upto March 15, 2023) Bindu D - Company Secretary & Compliance Officer (w.e.f. February 03, 2024) Sridhar Muthukrishnan - Company Secretary & Compliance Officer (upto February 02, 2024) **Non-executive directors** Harminder Sahni – Independent Director Sandhya Vasudevan – Independent Director Manish Joshi – Nominee Director (upto June 28, 2023 and nominated again w.e.f. Feb 01, 2024) Shyam Powar - Independent Director (w.e.f. May 30, 2023) Ravi Kumar - Independent Director (w.e.f. January 25, 2024) Rajiv Khaitan - Independent Director (upto May 30, 2023) Sangeeta Kulkarni - Independent Director (upto August 30, 2022) Pradeep Bhargava-Independent Director (upto November 14, 2022) Raja Venkataraman - Independent Director (upto January 02, 2023) V.Vasudevan - Non-Executive Director (upto December 15, 2022)
Transaction with entities over which key management personnel or relatives of such personnel are able to exercise significant influence	Khaitan & Co LLP (upto May, 2023) Jacaranda Design LLC Bihar Mercantile Union Private Limited Orient Silk Private Limited Aditya Resources Limited Priya Resources Private Limited Awdhan Trading Co Ltd Wazir Advisors Private Limited Himatsingka Foundation
Transaction with relatives of key management personnel	Mrs. Rajshree Himatsingka (Wife of Dinesh Kumar Himatsingka) Ms. Priyadarshini Himatsingka (Daughter of Dinesh Kumar Himatsingka) Mrs. Akanksha Himatsingka (Wife of Shrikant Himatsingka)

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

List of subsidiaries (including step down subsidiaries)

The Group's subsidiaries are set out below. Unless otherwise stated, they have same capital consisting solely of equity shares that are held directly by the Group and the proportion of the ownership interest held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Subsidiary/ Step Subsidiary	Country of domicile	Ownership interest held by the Group as at		Principal activities of each subsidiary
			31 March 2024	31 March 2023	
Himatsingka Wovens Private Limited	Subsidiary	India	100%	100%	Retailing of home furnishings*
Himatsingka Holdings NA Inc.	Subsidiary	United States of America	100%	100%	Sale and distribution of textiles
Twill & Oxford LLC (under liquidation)	Subsidiary	United Arab Emirates	49%	49%	Sale and distribution of textiles
Himatsingka America Inc.	Step down subsidiary	United States of America	100%	100%	Sale and distribution of textiles

* During the financial year 2017-18 the Company has ceased its trading activity, and has started earning rental income by letting out its investment properties.

Note 36.2 : Related party transactions during the year **(₹ Lacs)**

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Professional fees	Jacaranda Design LLC	165.77	166.56
	Khaitan & Co LLP	14.28	33.08
	V Vasudevan	–	18.00
	Wazir Advisors Private Limited	47.50	–
Sale of land	Dinesh Kumar Himatsingka	–	302.00
Contribution in relation to CSR Expenditure	Himatsingka Foundation	–	241.33

Note 36.3: Balance payable to related parties as at the balance sheet date: **(₹ Lacs)**

Particulars		As at 31 March 2024	As at 31 March 2023
Other payables	Jacaranda Design LLC	363.69	209.33
	Wazir Advisors Private Limited	4.56	–
Total		**368.25**	**209.33**

Note 36.4 : Compensation and dividend payment to key management personnel **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and compensation	821.16	538.83
Commission	265.00	55.00
Dividend paid	–	102.24
Sitting fees	26.00	37.00
Total	**1,112.16**	**733.07**

Note 36.5 Compensation and dividend payment to other related parties

i) Relatives of key management personnel **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and compensation	150.00	149.06
Dividend paid	–	30.68
Total	**150.00**	**179.74**

ii) Entities over which key management personnel are able to exercise significant influence **(₹ Lacs)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend paid		
Bihar Mercantile Union Private Limited	–	31.34
Orient Silk Private Limited	–	17.17
Aditya Resources Limited	–	16.49
Priya Resources Private Limited	–	15.61
Awdhan Trading Co Ltd	–	20.64
Total	**–**	**101.25**

Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are made on normal commercial terms.

Note 37 : Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Note 38 : Other statutory Information

i) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

ii) The Group do not have any transactions with companies struck off.

iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii) The Group did not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961, where applicable.

viii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Note 39 : Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2024 –

Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ Lacs)	As % of consolidated profit or loss	Amount (₹ Lacs)	As % of consolidated Comprehensive income	Amount (₹ Lacs)	As % of consolidated total comprehensive income	Amount (₹ Lacs)
Himatsingka Seide Limited	115%	178,539.23	102%	11,539.74	(94)%	270.42	107%	11,810.16
Indian Subsidiaries								
Himatsingka Wovens Private Limited	2%	2,418.13	1%	125.04	0%	–	1%	125.04
Foreign Subsidiaries								
Himatsingka Holdings NA Inc.	74%	115,575.14	0%	(3.36)	0%	–	0%	(3.36)
Himatsingka America Inc.	27%	42,852.38	5%	546.31	0%	–	5%	546.31
Twill & Oxford LLC	0%	–	0%	–	0%	–	0%	–
		339,384.88		**12,207.73**		**270.42**		**12,478.15**
Consolidated adjustments	(118)%	183,489.90)	(8)%	(925.51)	194%	(559.12)	-14%	(1,484.63)
Total	**100%**	**155,894.98**	**100%**	**11,282.22**	**100%**	**(288.70)**	**100%**	**10,993.52**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March 2023 -

Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ Lacs)	As % of consolidated profit or loss	Amount (₹ Lacs)	As % of consolidated Comprehensive income	Amount (₹ Lacs)	As % of consolidated total comprehensive income	Amount (₹ Lacs)
Himatsingka Seide Limited	115%	166,729.07	47%	(3,019.52)	(16)%	(762.27)	240%	(3,781.79)
Indian Subsidiaries								
Himatsingka Wovens Private Limited	2%	2,293.09	(1)%	91.20	0%	–	(6)%	91.20
Foreign Subsidiaries								
Himatsingka Holdings NA Inc.	77%	112,286.63	0%	(3.30)	0%	–	0%	(3.30)
Himatsingka America Inc.	29%	41,951.12	53%	(3,422.26)	0%	–	217%	(3,422.26)
Twill & Oxford LLC	0%	–	0%	–	0%	–	0%	–
		323,259.91		**(6,353.88)**		**(762.27)**		**(7,116.15)**
Consolidated adjustments	(123)%	(178,358.45)	1%	(54.09)	116%	5,591.75	(351)%	5,537.66
Total	**100%**	**144,901.46**	**100%**	**(6,407.97)**	**100%**	**4,829.48**	**100%**	**(1,578.49)**

As per our report of even date attached

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

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

Vikram Dhanania
Partner
Membership number: 060568

D.K. Himatsingka
Executive Chairman
DIN: 00139516

Shrikant Himatsingka
Executive Vice Chairman & Managing Director
DIN: 00122103

Sankaranarayanan. M
Chief Financial Officer

Bindu D
Company Secretary
Membership number: A23290

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

Place: Bengaluru
Date : 23 May 2024

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Himatsinga

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